

A black and white photograph of a man in a military uniform, wearing a helmet and holding a rifle, standing outdoors. The image is grainy and appears to be a reproduction from a document.

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## LOMBARD

## Catering for numeromania

BY ANTHONY HARRIS

THE SPECTACLE of more than 200 statisticians and analysts, like so many numerate Oliver Twists, asking for more, is one to strike terror into those who provide this fare. I imagine that the brave contingent from the Central Statistical Office who faced their fans at the Statistics Users' Conference on Wednesday are torn annually between pleasure at the keenness of their public and despair at their insatiability. The banks, who were alone in complaining that officialdom now demands too many figures, must have been pleased with CSO reminders that numbers are originally harvested by unpaid farm-labourers.

## Refreshing

The question of whether this pressed army is suffering in any cause worth their effort seldom seems to disturb the reveries of those obsessed by numbers. Calls for weekly and even daily information on the money supply, for financial analysis broken down into such sub-sections as farming (collecting these figures might become another job for the Army) or unincorporated businesses, for extracts from management accounts before the management has seen them, seem to me to display a neo-Platonist error.

Plato described the real world as a shadow of the ideal, some statisticians seem to imagine that it is an untidy projection of a perfect set of reconciled numbers. Some even itch to tidy up the real world—Christopher Johnson of Lloyds Bank, for example, suggested, as if the whole business and financial calendar for the convenience of the CSO.

It was refreshing, then, to discover some uneasiness among the professionals. Gordon Pepper and Robert Thomas of Greenwells may believe that there is a flood of money supply figures, the market would quickly learn to regard most of the aberrations as so much statistical noise; but Wall Street experience, as Mr. Johnson remarked, suggests that investors may not be so sophisticated. A CSO speaker wondered whether some Keynes of the flow of funds would appear to establish the analytic value of all the material on this subject which is now available, and hinted that in the absence of such a genius, it was not altogether clear what was to be gained by elaborating the figures much further.

Since flow of funds analysis is, rather like trying to analyse the whole London traffic system by taking a rather inaccurate measure of the flow across just five major junctions, with an observer who often cannot tell a limousine from a lorry, I

fancy Keynes himself would have been baffled. The effort should surely go elsewhere. One field which will be rewarding, when at last the immense practical difficulties are overcome, is the production of sector balance sheets. All our national accounts at the moment are bare profit and loss and cash flow accounts, together with measures of activity in often deceptively "real" terms. (As the London Business School has reminded us this week, there will be quite a jump in the statistical growth rate when "real" series are measured at 1975 prices instead of 1970 prices: that is what I mean by deception.) An investment analyst who did not look at the balance sheet would be fired, but economists have performed none this all along. With proper balance sheets, we can begin to take account of wealth as well as income, and so begin to understand some of the mysteries—especially personal and industrial spending on investment—which have up to now defeated the forecasters.

## Complacent

The biggest arguments, though, are likely to arise over inflation accounting. Both the CSO and Treasury seem satisfied and even complacent at the moment with the notion that existing national accounts are rather like unreformed Sandilands accounts. This unfortunately presents an over-gloomy picture of industry, an over-rosy one of banks and most private citizens, and above all conceals the hidden tax levied through inflation by the great unstoppable borrower, the Government. The accounts look like being fraudulent when they do appear.

I hope, at least, that an argument on these grounds will grow up when the balance sheets begin to appear, for statistical sense is deadly misleading. To be sure, a confession of statisticians' users is evidence of criticism at work; but too much of it is criticism of the figures that are published—their lateness, their inevitable errors, the inconvenient hour-earliness that the data. There is all too little of the kind of fundamental questioning of how much even an ideal set of figures could tell a perfectly intelligent analyst. I am much less frightened by the CSO's slowness in producing this or that, than by the CSO's confidence that with proper sector financial accounts, we could devise an ideally effective industrial strategy. The British disease has many causes, but I doubt that a shortage of numbers is an important one.

## AROUND BRITAIN

## Yorkists rally round the drivers

BY JOHN GRIFFITHS

IT'S NOT quite true to say you couldn't hear the roar of the engines for the ringing of the cash tills. But the people of this ancient city of 120,000—or at least the many engaged in the hotel, restaurant and retail trades—had sound reason other than their natural hospitality for their enthusiastic "welcome home" to the haggard survivors of this year's Lombard RAC Rally who drove across the finishing line at York last night.

As still, tired crews poured from their cars after 1,900 miles of almost non-stop driving, it was York's champagne, brandy or beer that was poured into them: York hotel beds into which they later tumbled and, when they have recovered it will be York shops which will provide the wide array of goods with which the teams traditionally load themselves before fading away like a financial rainbow—but leaving behind a very tangible pot of gold.

The final buying spree is not likely to be over until the weekend, but a preliminary peer over the train by York Chamber of Trade and Commerce's general secretary, Bill Kingston, suggests that the pot

this year will contain £500,000, more than a little help towards keeping the wolf from the door in the leaner months between summer and Christmas.

Initially, when the RAC announced that the rally would be returning to York after a one-year interlude at Bath, it was thought that the spin-off for the city might move nearer the £750,000 mark, given that York's earnings from the 1975 rally were estimated by the Chamber at £500,000. In spite of inflation, several factors have worked against this. At the request of the Queen's Silver Jubilee Committee, the rally itself celebrating its own silver jubilee this year—was started from London, thus depriving York of the extra nights of accommodation and services it normally provides for the teams.

In addition although both the British and foreign teams of Fiat, Saab, Opel and others, are mostly big spenders, York's hoteliers and traders are resigned to the fact that the relatively stronger pound and tight economic situation have kept something of a damper on this year's spending. Although difficult to quantify, it is an effect which Mr. Kingston thinks has already been observed by York businessmen in the latter part of this year among the Dutch and Scandinavian tourists.

## Ethnic

The Greek, Italian, and other ethnic restaurants which have appeared in the city during a remarkable expansion in tourism here during the past five years are getting a notable shot in the arm, and hardly a car dealer does not have a model bedecked in rally colours. Less likely purchases have included oxy-acetylene equipment, bought by foreign teams for running repairs to their rally cars when they veer off, as they so frequently do, at speed from the straight and narrow. It appears that it is cheaper for them to buy the equipment here than

to lug it all the way to Britain and home again. Admittedly, the city does not overwhelmingly depend on tourism, possessing as it does a healthy range of light industry, notably British Rail's carriage-building works and the confectionery factories of Rowntree, Mackintosh, Terry, and Craven. Nevertheless tourism is a significant source of revenue and the RAC is the city's biggest single-event earner. Since the rally is also much more of an organisational headache for the RAC than for the host city, the £55,000 which the city of York has donated to the rally's £31,000 running expenses looks like a highly cost-effective investment.

The rally itself balances on a financial knife-edge, with the RAC in no position to provide a safety net. This year's outlays involve £32,500 in fees to the Forestry Commission for the use of its roads, £7,000 as the prize fund with the rest going on general expenses. Income consists of £30,000 in cash from the sponsors, £41,000 in entry fees, £4,000 in sales of stage sponsorships, £1,200 for what seems an absurdly small percentage of the "gate" at paid spectator stages at stately homes and parks (120,000 paying spectators have been recorded on a single stage), and the lucky, they might just balance the books.

The RAC is a staid body in what has become one of the most highly commercialised of all sports and it is not too concerned as long as the event breaks even. But it will be interesting to watch developments should Lombard decide not to continue sponsorship after its present commitment runs out next year. One rally official pointed out that governments of other countries staging major events, such as Greece and the Monte Carlo, underwrite the RAC in no position to provide a safety net. This year's outlays involve £32,500 in fees to the Forestry Commission for the use of its roads, £7,000 as the prize fund with the rest going on general expenses. Income consists of £30,000 in cash from the sponsors, £41,000 in entry fees, £4,000 in sales of stage sponsorships, £1,200 for what seems an absurdly small percentage of the "gate" at paid spectator stages at stately homes and parks (120,000 paying spectators have been recorded on a single stage), and the lucky, they might just balance the books.

York Minister—one of the city's biggest tourist attractions.

is imminent that it will be the next year at Birmingham at the Exhibition Centre takes place the autumn.

To the people of York, given York's strategic location for the prime rally territory, the Lake District, Scotland, it will probably be long before the rally is again, provided it does not appear under its final stage sponsorships, £1,200 for what seems an absurdly small percentage of the "gate" at paid spectator stages at stately homes and parks (120,000 paying spectators have been recorded on a single stage), and the lucky, they might just balance the books.

## Good prices for water colours

THE BEST sale at Sotheby's was of English watercolours and drawings which totalled £225,200. Agnew was an active buyer, buying £23,000 plus the 10 per cent premium; for Turner's Valley of St. Gothard and the same sum for Cozens' view of Lake Maggiore at dusk.

Agnew also acquired a Gainsborough village scene for £17,000 and a Leighton for £10,500 for Near the Tullis Garden by Shottor Boy. The Fine Art Society paid £7,000 for an album of watercolours, painted in Greece in the early 19th century by T. Allason.

The £5,500 for a Derbyshire landscape by Peter de Wint was a high price for the artist. There was also a jewels sale at Sotheby's which totalled £224,663. Craft paid \$14,500 for an emerald and diamond ring, and S. J. Phillips £11,500 for a sapphire set with diamonds in a ring, once the property of Madame Chappalin, the wife of the Russian ambassador.

A pair of George II oval sauce boats by Paul de Lamerie fetched £2,700.

At Belgrave, Sotheby's brought in £98,623 from European glass and ceramics, including a collection of Madame Olga Ghorra. The highest price was the £4,000 from Kuros for a gilt metal mounted Sèvres blue-ground ground garniture painted by Guillon.

A pair of patinated and gilt bronze torches, possibly early 19th century Russian, sold for

£2,100, and a large German jardiniere of 1898 realised £1,900.

Stanley Gibbons' auction of early Canadian stamps and postal history realised £201,425. This important two-volume collection had been expected to make £175,000.

It was one of the finest of the colony of Canada, and covered the interesting period 1840-1894. The collection was the first recorded stamp of the colony, the unique Postmaster's Provisional 3d black of April, 1851, printed on an envelope sent from New Carlisle to Toronto. It was sold for £31,000 to a collector who flew in specially from Canada. This item was previously sold at a Sotheby's auction in April, 1963, for £220.

## Sailing week for Brighton

A NEW sailing event with cash prizes is to be held next year based at Brighton Marina. It is planned to hold the week of races for all sizes of sailing boats from dinghies to offshore racers, between Cowes Week and Burnham Week.

The move follows considerable disappointment by the management of the new marina—due to be opened late next spring—at the decision of the Royal Ocean Racing Club to move the World Half-Ton Cup to Poole, Bournemouth, having originally intended to stage the event at Brighton.

## Solonius at Newbury

THERE HAVE been few easier winners this season than Chris Brownlee, who drew right away to 10 stone 9lb, the opposition to put 20 could well prove pick of the lengths between himself and Handicap. Solonius, who drew 20, is a runner from 20 runners point other aspects of 1 scoring at Plumpton last time. He is a runner from 20 runners point other aspects of 1 scoring at Plumpton last time. He is a runner from 20 runners point other aspects of 1 scoring at Plumpton last time.

Solonius, who had previously chased home Grangeview Girl in Raunton's Silver Jubilee Trophy, receives plenty of weight from all but Jimmy Muller, from whom he gets 4 lb—and it is this five-year-old, a 15-2, the possibly leniently treated lengths conqueror of Battle Estate Agent, Hyman at Kempton ten days ago.

I have always had a high regard for the Gordon Richards, and it is interesting to note that he has trained Embargo, and believe it or not, more than 1,000 a guide to place dividends. Embargo, whose three victories in great detail, following jockeys follow a successful last season included a four-length victory over Rigorous, to whom their total mounts and wins, he was conceding 12lb over to course statistics and the type of day's course and distance, has race in which the trainer does had just one race to date this season. Three weeks ago at Can. The course statistics say, the Greystoke six-year-old strike me as of particular note, put up a thoroughly satisfactory performance in the 18-runner throws up the real course, Derwentwater hurdle, holding a specialist. For example, Derek prominent position for most of Kant did particularly well at the way until tiring through lack of stamina in the 1976-77 season of peak fitness from the third with six wins from 13 runners, Arthur Stephenson had 14 winners, 215 Embargo, 245 Checkov.

## RACING

BY DOMINIC WIGAN

A great deal of other interesting information is incorporated in the 190 pages of Trial Record, which can be obtained from Trainers' Record, Malt Britport, Dorset, DT6 Price: 25p.

## NEWBURY

1.00—Joe Kil  
1.30—King Shaw  
2.00—Solonius  
2.30—Lone Eagle  
3.00—Brave Kid  
3.30—Accelerator

## TEESIDE

12.45—Makess Lane  
1.00—Transphonic  
2.15—Embargo  
2.45—Checkov

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## EUROPEAN NEWS

## OECD sees \$4bn. U.K. current account surplus

BY ROBERT MAUTHNER

PARIS, Nov. 24.

THE U.K. is expected to have a much bigger current account surplus in 1978 than indicated by the latest official British forecasts, according to confidential predictions made by the OECD Secretariat.

After being in equilibrium this year, the OECD forecasts that the U.K. current account will be in surplus to the tune of \$4bn. in 1978, compared with official British forecasts of a \$2.7bn. surplus next year.

Observers were at a loss to explain the discrepancy between the OECD and British figures, which were based on broadly similar growth predictions for the U.K. The international organisation is forecasting that, on the basis of unchanged policies, the British economy will expand by about 3 per cent. in the first half of next year, falling to 2.5 per cent.

in the second half. This is slightly lower than the U.K. Treasury forecast for next year, which may explain part of the difference in the current account projection.

The Secretariat's balance of payments forecasts for the member countries throw further light on why so much pressure was put on Japan and West Germany during this week's meeting of the OECD Economic Policy Committee to take supplementary measures to expand their economies.

Although the Japanese have set themselves a growth target of 6 per cent. next year, most member countries consider that this will be insufficient to provide the required boost to the world economy.

The OECD payments forecasts for Japan provide ample

ammunition in support of this argument. The organisation is predicting that the Japanese current surplus will be as much as \$10bn. next year, the same as in 1977.

West Germany's current surplus is still expected to be \$3bn. next year, only \$800m. down from its level in 1977, and Bonn's reluctance to envisage any further expansionary measures within the coming months makes it likely that the out-turn in 1978 will be very much in line with the OECD forecast.

Among the so-called "locomotive" countries, only the U.S. with an increased projected current deficit in 1978 of \$20bn. to \$21bn., up by \$2bn. to \$3bn. on this year, will be providing any real stimulus to the world economy.

## W. German GDP down in third quarter

By Adrian Dicks

BONN, Nov. 24.

WEST GERMANY'S real gross national product fell by 0.5 per cent. during the third quarter of this year, the West Berlin-based German Institute for Economic Research (DIW) reported today.

Its analysis, which precedes an official estimate of third quarter performance, lays the blame for this development on the weaker demand for West German exports caused by continuing economic problems on the part of several major trading partners.

In a separate development, however, the federal statistical office reported the year's biggest monthly trade surplus, of DM4.5bn., during October. It brings West Germany's cumulative surplus for the first 10 months up to DM21.1bn., compared to DM23.3bn. for the same period of 1976. Taking in spending abroad by German tourists and transfers by foreign workers, there was a surplus of only DM1.1bn. in the month.

The DIW's findings on third quarter GNP performance support what have hitherto been merely informed estimates from several quarters that the summer slowdown had in fact resulted in an actual fall in the level of activity.

The DIW sees signs that the Government's various stimulatory measures during the course of this year are having some effect. One area in which it notes progress is in new orders to the building industry, and a rise in private consumption of 1.5 per cent. in the third quarter.

The DIW holds out so much hope of support for the economy from exports. During the third quarter, it writes, new export orders to West Germany were down 7.5 per cent. in real terms from the previous quarter.

The Economics Ministry, in its own monthly commentary, describes the economic situation as "unsatisfactory" during the third quarter.

It is already clear that these measures, which Bonn hopes will underpin the 4.5 per cent. increase in real GNP in 1978 to which it has committed itself, are unlikely to have brought the German Government much respite from critics both abroad and at home who want it to do more.

## Dissent cannot be crushed, says Sakharov

BY DAVID SATTIS

MOSCOW, Nov. 24.

DR. ANDREI SAKHAROV, the Nobel peace prize winner, is pessimistic about the immediate future of the Soviet dissident movement but is certain the movement will endure because "it grows out of the conditions of our lives."

In an interview with the Financial Times, he said he feels isolated in Moscow, where he is the only major dissident figure still active, and vulnerable to pressure because of the difficult position of his stepson, Alexei Semenyov (21), who was expelled earlier this month from the Lenin Pedagogical Institute where he was a student of mathematics.

Assessing the effect of this year's unprecedentedly thorough crackdown on organised dissent, Dr. Sakharov said there has been a drastic reduction in the number of active dissidents, but he compared the situation to the frozen

surface of a sea in which removal of one layer of ice is immediately followed by the formation of a new one.

The authorities' strategy, he said, is to intimidate with arrests, but this will prove ineffective since it does not address Soviet society's underlying problems, which he identified as violations of human rights, inadequate social services, increasing anti-Russian feeling among Soviet nationalities and an unhealthy reliance on a vast pool of prison labour for many economic projects.

Appearing physically tired and dissidents are worn down by unrelenting psychological pressure, and those who are given the opportunity to emigrate should accept it.

He feared the authorities were preparing to use the example of Anatoly Shcharansky, who has

been charged with treason, to frighten dissidents. He said he knew Mr. Shcharansky very well and that it was clear to him that a man who lived a life as open as that of Mr. Shcharansky, meeting foreign correspondents and representatives regularly, could not have been a spy. He added that Mr. Shcharansky had no access to secret information.

With many other dissidents in prison or out of the country, Dr. Sakharov fears that the authorities will attempt to put pressure on him by persecuting his stepson, Alexei, who, he said, was expelled from his institute, after following a "completely ridiculous" claim of trouble in his military courses.

He said there is now no possibility of Alexei enrolling in another educational establishment and he is in danger of being drafted into the army.



Dr. Andrei Sakharov, vulnerable to pressure.

## THE SOVIET STRATEGY ON DISSIDENTS

## From Russia without love

BY OUR MOSCOW CORRESPONDENT

WHILE THE debate in Belgrade has been going on about Soviet human rights abuses, the Soviet authorities have continued to pursue a strategy intended to make dissent a largely academic issue.

During the course of this year, a wave of arrests and many approvals of requests to emigrate have succeeded in so depleting the dissident ranks that the threat of dissent has been weakened for the foreseeable future.

Twelve members of citizens' groups which sought to monitor Soviet observance of the 1975 Helsinki agreements have been arrested or sentenced since February of this year. In Moscow, those arrested were Dr. Yuri Orlov, the leader of the Moscow-based group, and members Alexander Ginzburg and Anatoly Shcharansky, who face treason charges. A fourth member, Malva Landau, was sentenced to two years' exile in the Soviet Far East for negligence in connection with fire in her apartment last December.

In the Ukraine, there have been four arrests of members of the Ukrainian Helsinki group including Mr. Mikola Rudenko, the group leader, and Mr. Olexy Tykhov, who were convicted of "anti-Soviet agitation". The only Helsinki group members so far convicted on political charges, Mr. Rudenko, a Ukrainian poet and war invalid, was sentenced to seven years' hard labour, and Tykhov, a physicist, was sentenced to ten years' hard labour and five years' exile.

There have also been three arrests of Georgian Helsinki group members. And in Lithuania, Viktorus Petkus, head of the Lithuanian Helsinki group, was arrested this summer.

Many dissidents have been induced to emigrate. Gen. Pyotr Grigorenko leaves next week on a six month visa for medical

treatment in the U.S. Gen. Grigorenko insists that he will come back to the Soviet Union, and said he regards the granting of the visa as "a humanitarian act". Once in the U.S. he may be stripped of his citizenship and refused permission to return.

The departure of Gen. Grigorenko, Moscow's best known dissident after Dr. Andrei Sakharov, will follow the recent emigration of Dr. Valeriy Turchin, leader of the Soviet

only major dissident still active in Moscow, and the absence of other well-known personalities such as Dr. Orlov, Mr. Ginzburg, and in a few days, Gen. Grigorenko, removes men whose wide contacts made them invaluable sources of information about human rights abuses throughout the Soviet Union.

The tactics being used against the dissidents are sometimes brutal. But, as a rule the KGB

Soviet authorities preparing a treason case against human rights campaigner Anatoly Shcharansky have summoned nine people, including some of his "closest friends" for questioning, one of the group told UPI in Moscow yesterday. All nine were ordered to report today to Lefortovo

KGB prison, where Mr. Shcharansky has been held since March 15. Eight of the nine are of the "Black List" of dissidents. One refused permission to emigrate to Israel, and is a close friend of the 23-year-old mathematician.

branch of Amnesty International, who accepted an offer to leave after being unable to find work for three and a half years, and the emigration of Tatyana Khodorovich, the last remaining director of a fund to aid political prisoners, who decided to leave after being threatened with "criminal charges".

Other dissidents who have emigrated in recent months include Lyudmila Alexeeva and Yuri Myusuk, both former members of the Moscow-based Helsinki group, and Krassimir Lubarsky, an astronomer who helped Mrs. Khodorovich manage the fund to aid political prisoners.

The Soviet dissident movement appeared in its present form in the late 1960s and has suffered repeated repression since then. But never before has it lost so many of its key personalities in such a short time. Dr. Sakharov is now almost the

disorganised state of the dissident movement today comes as a particular irony since it was the 1975 Helsinki agreements with their clear pledges to respect human rights and facilitate the free flow of information

which last year gave the movement new life. The Soviet Union is committed to sign human rights commitments in keeping with world stature, but, for inter reasons, reluctant to do so.

The forces which produce dissidents, however, continue to operate. Sergei Polikanov, nuclear physicist and member of the Soviet Academy of Sciences held press conference recently to test the refusal of the authorities to allow his family to accompany him for a year research at a nuclear laboratory in Geneva. By speaking against the kind of harassment to which almost all Soviet scientists are subjected, Prof. Polikanov put his career at risk and took the first step toward one day joining the ranks of those active dissidents who are depleted now.

## Spain air peace prospects fade

BY ROBERT GRAHAM

MADRID, Nov. 24.

IN AN increasingly embittered climate, hopes of preventing the third strike in 15 days by Spain's civilian aviation employees faded this afternoon. Representatives of the 11,000 civil aviation employees said after a meeting at the Transport Ministry that they saw no prospect of averting a 24-hour strike planned for tomorrow.

Instead of closing off Spain's airspace and shutting down the 38 civilian airports as in the two previous strikes, the Government has decided to call in the military. In the past such action has been resisted because it was considered by some to be "provocative".

Although the Government has been bridging the gap between the Government position and the aviation workers' demands since the first strike began on November 4, the Government has stuck steadfastly to its view that their 28 per cent. across-the-board wage demand would be in breach of

the wage guidelines established in the social contract agreement that the major political parties signed on October 23. This set a 2.5 per cent. ceiling on demands for this year and 2.2 per cent. for 1978. The civil aviation employees for their part have continued to insist that their demands had been on the table since May and were therefore not covered by the pact.

Indeed, from being a small-scale labour dispute, treated in a dilatory manner by the Transport Ministry, the Government has now chosen to make the affair a major test of its will to enforce wage ceilings. It has further become a test case of Government relations with labour that could have potentially serious repercussions on Premier Adolfo Suarez's relations with the opposition Communist and Socialist parties who were signatories to the pact.

To bolster its position, the Government has decided to press ahead with a special decree that declares the social contract, known as the Moncloa Pact, to have retroactive effect. Both Socialists and Communists have resisted such an interpretation.

The Italian airline Alitalia has cancelled all domestic and European flights from Rome for a seven-hour period, today. Reuter reports. Intercontinental flights from Rome during the strike period, between 7 a.m. and 2 p.m. GMT, will not be affected.

## Talks open on Gibraltar

BY DAVID BUCHAN

BRUSSELS, Nov. 24.

BRITISH Foreign Minister David Owen tonight held talks in Strasbourg with his Spanish counterpart and Gibraltarian Ministers on the future of the U.K. colony. It was the first time since the 1965 Spanish blockade that all three parties to the dispute have met.

Dr. Owen said later that the three sides would meet again next year. Details of the discussions were not disclosed.

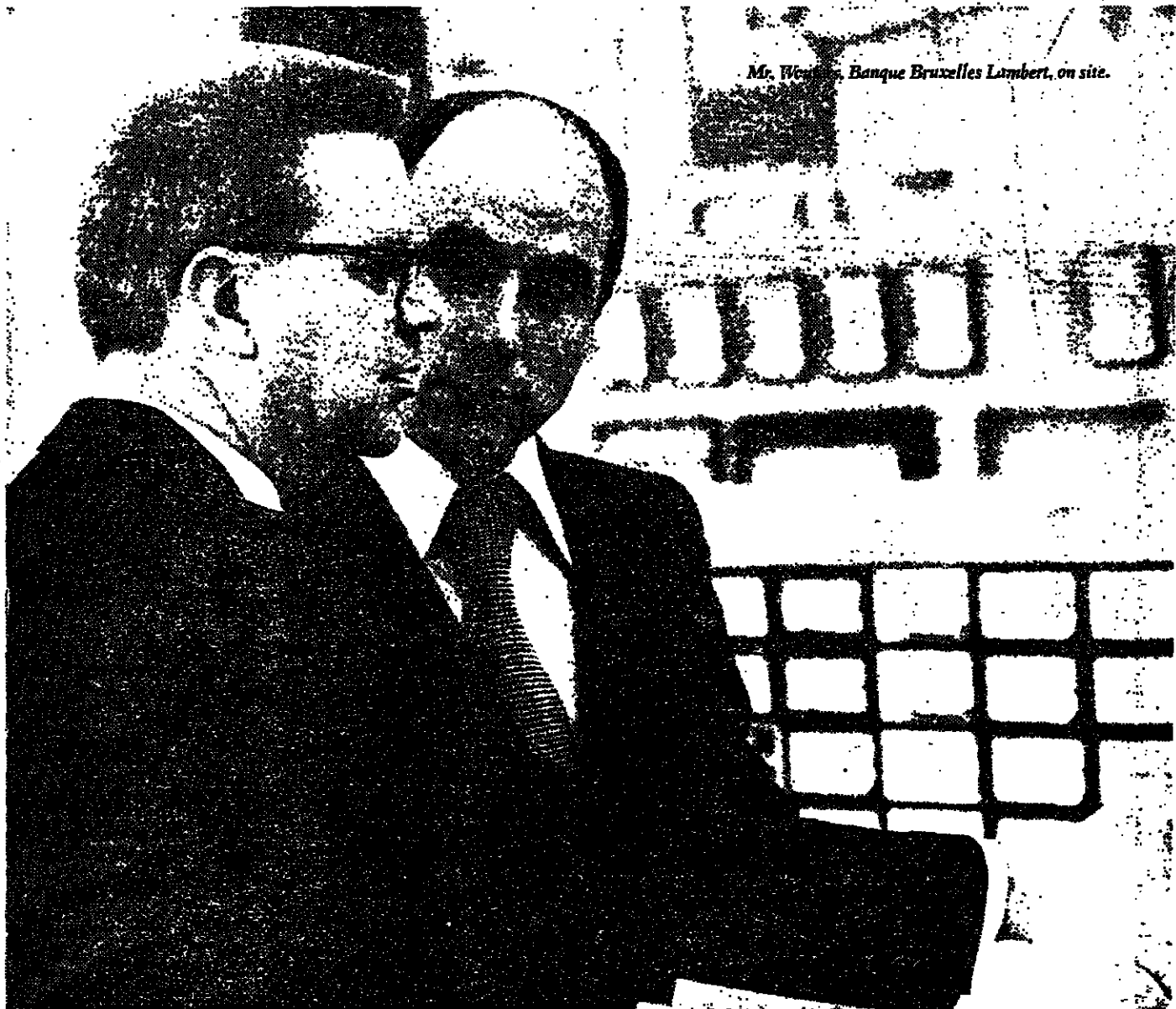
The occasion of the talks was the Strasbourg ceremony earlier today during which Spain officially became the 30th member of the Council of Europe.

Gibraltar Premier Sir Joshua Hassan had been expected to make few concessions as he was

accompanied by Mr. Maurice Xiberras, leader of the opposition. Both politicians were formally recognised by the Spanish only as part of the British delegation. Nor was Sr. Marcelino Oreja, the Spanish Foreign Minister, expected to take any major step towards lifting the blockade. The Spanish position has been that they are willing to relax the road, telephone and trade blockade once the U.K. has given a commitment to serious negotiation.

The U.K. has taken the line that it is up to Madrid to demonstrate to the colony the benefits attached to closer co-operation with Spain.

Mr. Owen, Banque Bruxelles Lambert, on site.



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## Finns take up \$100m. of standby

The Bank of Finland's decision to draw \$100m. of its \$700m. stand-by credit arrangement with a consortium of international banks has reinforced the suspicion here that a devaluation of at least 20 per cent. in the Fimmark may be inevitable soon. Lancelotti Keyworth reports from Helsinki.

The Central Bank's decision was prompted by the drain on the reserve of convertible currencies in November, reducing the balance to the equivalent of about two weeks' imports, about half what is accepted as normal. The Governor of the Bank, Mr. Mauno Kivisto, who has persistently opposed devaluation, said that the currency reserve was not a cause for concern. He has said, however, that the real value of a stand-by credit arrangement, lies in its non-use.

The Russian Navy is having trouble with its only aircraft carrier, the Kiev, only a year after it was commissioned according to authoritative NATO sources quoted by Reuter in Brussels. Western intelligence services, however, were not sure of the cause of the problems. The sources said that the Kiev, which entered the Mediterranean in July last year, has spent less than two weeks at sea since last autumn.

Unemployment in Denmark rose in October to 132,000, or 7.3 per cent. of the labour force, according to the Bureau of Statistics. Riis, Barnes reports from Copenhagen. This compares with 6.1 per cent. in October last year. Including workers on part-time, the total figures were 164,000 and 7.6 per cent.

## Dutch division

The Dutch Christian Democratic party is still hard divided over approval for the provisional policy accord its leader reached earlier this week with the VVD Conservative party leader. Michael van Os reports from Amsterdam. The support of the Left of the CDA is vital if a new Centre-Right coalition is to have any chance of remaining in office.

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## Mihajlov to be released

BY PAUL LENDVAI

VIENNA, Nov. 24.

THE PROMINENT Yugoslav dissident Mr. Mihajlo Mihajlov, will be released under the amnesty proclaimed for the Yugoslav national day on November 29, it was announced today in Belgrade.

Mr. Mihajlov, an author and literary critic, was arrested in October, 1974, and sentenced the following February to seven years imprisonment on charges of disseminating hostile propaganda. Since 1965 he has been tried and sentenced four times to imprisonment on similar charges.

A further 217 political prisoners will also be released under the amnesty. According to earlier official statements, there are some 200 political

## Soares may gain breathing space

BY DIANA SMITH

LISBON, Nov. 24.

WITH SIX days to go before the deadline Prime Minister Mario Soares has given to his parliamentary rivals to agree to a common policy, there are signs that he may win a small breathing space, but not long-term guarantees of survival.

In a memorandum handed to leaders of the Christian Democratic, Social Democrat and Communist parties last week, Sr. Soares offered a framework for negotiation of economic policies based on severely restrictive terms asked by the International Monetary Fund (IMF) in return for standby and medium-term credits and on a social contract.

On November 16 Sr. Soares called for affirmative answers by the end of this month or his government would call for a caretaker Government by the end of December, or the beginning of January, appointed and dissolved by President Antonio Ramalho Eanes, probably headed by a Socialist Prime Minister, and incorporating Socialists, Independents and some military. With an IMF standby loan of \$500m. and a \$750m. medium-term credit quickly following it, the caretaker Government would hold the country together once Parliament was disbanded and elections called 90 days thereafter.

## Papandreo wants EEC special tie

By Our Own Correspondent

ATHENS, Nov. 24.

GREECE'S NEW approach leader has made it official. He has decided to support Greece's bid for a special tie with the EEC, a step of the Centre-Right Government, Mr. Premier Constantinos Karamanlis.

Mr. Andreas Papandreu, who has doubled his electoral strength to 25.2 per cent. of the vote in last Sunday's election and now commands 102 seats in the Hellenic Parliament, said a new conference to discuss his party's special agreement with the EEC, similar to the one that the Communists has with Norway.

He said trade exchanges with Greece were not working. A special agreement will permit us to have a policy for Greece, policy shaped in Athens, not in Brussels. We want to develop the Greek economy and we want to serve our people, not the interests of the monopolies," he said.

He added that he will press for Parliament for a nation-wide campaign to enlighten the people on the advantages and disadvantages Greece will have if it joined the Community.

Mr. Karamanlis, who won 41.4 per cent. of the votes in the election and now has 174 seats in Parliament, has put full membership of the EEC as a priority. He wants Greece to be a full member of the EEC by 1979, and a five-year transitional period for structural readjustments.

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# WORLD TRADE NEWS

## Dell calls for 'selective' controls within GATT

by CORNE BARLING

Secretary of State for Mr. Edmund Dell, yesterday called for a provision within the multilateral trade agreement being negotiated in Geneva for selective action on countries which disrupt markets with their export controls.

Mr. Dell said that Britain understood the United States' need for success in the multilateral trade negotiations, but he asked the U.S. to understand British and EEC objectives as well. These he did not believe were inconsistent.

But he called for only conditional acceptance of the American proposal to concede major tariff reductions in the negotiations, suggesting that the cuts should be in two stages and that the second stage should not be automatic.

Mr. Dell said that the proposed across the board cuts may be of more benefit to the U.S. than to other countries (due to the fact that U.S. tariffs tend to be in the high and low range, while EEC tariffs are mainly mid-range).

"The proposals certainly go beyond what we and our partners in the EEC would have chosen in our own. But we should be able to live with them if their introduction is phased over a period of ten years and provided the two conditions are met."

"We cannot commit ourselves unconditionally to tariff cuts in the mid-80s when we do not know what the economic conditions will be like at that time."

On the question of textiles and the multilateral arrangements, Mr. Dell said there was a conviction among developed countries that access to markets conceded to developing countries over many years must be controlled at a time of economic depression.

Steel was another area where problems had been created by depression, but this had been magnified as far as Britain was concerned by low productivity.

"Steel is the kind of problem the world is going to have to deal with if we are to find a civilised and co-operative way of reducing conflict in international trade," he said.

"If we do not succeed we could bring the open trading system to the point of collapse."

difficulty. We want to resist the aggressors, not hurt the neutrals."

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## Bangladesh in \$10m. rail deal

Bangladesh will buy 108 railway carriages worth \$10m. from Pakistan, Pakistan Railway Secretary Mr. H. U. Baig said yesterday. Mr. Baig said the contract for carriages was won against competition from Japan, India and South Korea. Pakistan Railways itself is starting a five-year railway development plan—partly financed by the World Bank—worth \$384m.

## OPEC AID FLOWS Taking care of their own

BY DAVID HOUSEGO

THE WEALTH accumulated by the oil producer states has given them the first opportunity to test their solidarity in carrying out the ideal of the New Economic Order. How far has OPEC put its cash behind the common cause?

The Secretary of the UN Conference on Trade and Development (UNCTAD) made an effort to find out. His report on OPEC aid flows—the first, it claims, to be largely based on information supplied by OPEC states and the multilateral institutions they have supported—has angered Arab members of the organisation.

The report finds that OPEC members have given a larger proportion of their GNP in aid than OECD countries. But by implication it is highly critical that the volume of OPEC aid has fallen well short of compensating other developing countries for the increase in their oil bills, and that most of it has been directed towards Arab or Muslim countries.

The Arabs expressed their anger by failing to turn up at a 10-day meeting that ended on November 3 on ways of improving the flow of aid to the world's 25 least-developed countries.

They gave no reason for boycotting the meeting but in response to disgruntlement privately expressed by the UNCTAD secretariat and delegates from the least developed countries, a spokesman from OPEC on the final day made an unexpected defence of OPEC's aid policy. This was taken as indirect confirmation that their failure to turn up was the result of the UNCTAD study.

The first score point that the report touches on is its suggestion that ways should be explored "for OPEC countries to cover in full or in part the increased oil bill of the oil importing countries on a non-concessional but long term basis."

It makes this recommendation after concluding that the \$5.2bn. that OPEC members actually disbursed in 1974 covered less than one-third of the additional financing requirements of developing

nations caused by the increase in oil prices. It puts these requirements at \$12bn. for 1974, a year in which the combined current account deficits of developing countries worsened by \$20bn. to \$27bn.

The second area in which it probes Arab sensitivities is in its discussions on bilateral concessional aid. It says that bilateral aid accounted for 88 per cent of disbursements by OPEC states in both 1974 and 1975 (the

ments by OPEC states between 1973 and 1974 rose far faster than those of the industrialised nations of the OECD. In 1974 OPEC states committed over \$7bn. in concessional aid, or about half that of the OECD members. The combined GNP of the OECD states is about 19 times that of the ten OPEC states covered in the report.

UNCTAD warns however that figures on commitments by OPEC states should be treated warily. The lag in spending the monies is great. Commitments for programmes spread over several years are "lumpy" and tend to inflate the commitment value at the outset of a programme. Thirdly commitments made in the wake of the oil price increase could not be expected to continue at the same level when the surplus of the producer states began to dwindle.

None the less the report makes the point that in 1974 seven of the 10 OPEC states covered had reached the UN target of distributing 0.7 per cent of their GNP in aid. Qatar stood out as the largest donor on this basis, contributing 10 per cent of its GNP in aid in 1974.

Overall the OECD states gave 0.33 per cent of their GNP in 1974 in concessional aid compared with 1.9 per cent for the 10 OPEC states.

In absolute terms the largest concessional donors during the 30-month period were Kuwait (\$1,854bn. in disbursements) and Saudi Arabia (\$1,479bn.).

The report includes a country by country analysis of the aid programmes of the 10 OPEC states. This shows that apart from the pro-Arab bias among Arab donors, OPEC members like Iran directed their assistance to countries strategically or economically important to them, such as Afghanistan or Pakistan. Venezuela's aid is likewise concentrated in South America.

Financial Solidarity for Development: Efforts and Institutions of the members of OPEC. Report by the Secretariat of UNCTAD. United Nations, New York, TD/B/627/86

## Swiss call to increase export credit insurance

By John Wicks

ZURICH, Nov. 24. A FURTHER expansion of Switzerland's export credit guarantee scheme is expected following a rapid growth in cover over the past few years. By the end of September, 1977, liabilities had risen to Sw.Frs.16.7bn., compared with only Sw.Frs.3.8bn. as recently as 1972.

The Government reckons with a rise in claims, due partly to the substantial currency risks arising from the very hard Swiss franc and partly due to growing indebtedness of developing countries. The Federal Council is now urging Parliament to establish by law the increase in maximum cover provided from 85 per cent of contract to 95 per cent. This was introduced by an emergency Federal decree in 1975 and is thus due to expire at the end of next year. It is felt that a return to 85 per cent could jeopardise Swiss competitive opportunities in view of the rates of 85-100 per cent. granted by major competitor countries.

## India eases imports from EEC

BY DAVID BUCHAN

India, which had a \$150m. trade surplus with the EEC last year, is liberalising its import term factors, including better harvests.

Mr. P. C. Alexander, Secretary to the Government of India, stated at the end of a two-day meeting of the EEC-India joint commission.

India's surplus with the Community is, in fact, increasing this year, with exports to the EEC in the first four months of 1977 increasing to \$412m. from \$322m. in the same period in 1976 and imports from the Community staying about the same.

This, said Dr. Alexander, was the result of "better economic management and certain short term factors," including better harvests.

India exports almost as many manufactured goods to the Community as it imports from there. EEC officials say that this wide diversification not only makes commercial co-operation between the two areas easier, but also makes India interested in maintaining an open two-way trade in manufactures.

But the Indian delegation said that "it looked with concern at certain signs of protectionist

tendencies." The EEC is still trying to persuade India to moderate the growth in its textile and clothing exports to the Community, which amounted to 131,000 tonnes last year.

The EEC is not hitting India as hard as some other textile suppliers, such as Hong Kong, which is being asked to cut back substantially on its textile exports. But Common Market textile negotiators have complained about the growth in Indian handloom goods, which are now being exported in industrial quantities, and are insisting this growth be slowed in 1978.

## Malaysia investment

British and European industrialists have given assurances they will set up at least five factories valued at a total of \$30m. in Malaysia officials said. AP-DJ reports from Kuala Lumpur. One \$5.6m. factory would produce bicycle parts for a West German bicycle manufacturer and another would make rubber gloves for a London company. This follows a Malaysian tour of West Germany, France, Poland, Yugoslavia and the United Kingdom. Meanwhile, Reynolds Metals chairman, Mr. J. Louis Reynolds said on arrival in Kuching that the company will set up an aluminium plant in Bintulu. Sarawak's fourth division, in a joint venture with the Sarawak Government.

## BSC in Brazil

THE British Steel Corporation has won the first conductor rail order to be placed for the new underground railway being developed in Rio de Janeiro, agencies report. The order, worth \$1m., will be rolled at the corporation's Cargo Fleet works, part of the Teeside Division, for delivery early in 1978.

## Cheap British labour tempts West Germans

Financial Times Reporter

THE MAIN attraction in Britain for West German companies setting up subsidiaries are low labour costs. Government incentives such as grants and expansion into the U.K. market, according to a survey carried out by the German Chamber of Commerce and Industry.

It also shows that the great majority of German companies in the U.K. which already manufacture goods, intend to expand in the near future.

The survey, carried out among 3 companies, suggested that their relations proved to be no problem, with nearly 90 per cent. companies describing them as "very good or excellent."

Around 75 per cent. of the companies concerned were in the rubber and mechanical machinery sectors, and 15 per cent. in pharmaceuticals and metals. More than 30 per cent. of the companies not manufacturing in the U.K. at present intended to do so in future.

General comments from the responding companies, which are based on some of the highest unit costs in the world in Germany, concentrated on generally lower operating costs in Britain.

## Tokyo marketing centre

BY CHARLES SMITH

JAPAN'S LARGEST department store, Mitsukoshi, and its two biggest general trading companies, Mitsubishi and Fuyo, are to become shareholders in a company to be set up next month which would open and operate a major import-export centre in central Tokyo.

The centre will form part of a large urban redevelopment project now under way near Ikebukuro (and covering the site of the old Sugamo prison where Japan's war criminals were imprisoned after World War Two).

The major shareholder in World Import Mart, with a capital stake of Yen 115m., will be Shintoshi Kaisha Co. (New City Development Centre) a company set up ten years ago to develop the Sugamo site and containing many of Japan's biggest industrial companies, among its shareholders. Ship-to-shore Kaisha will provide the building and rent it out to the operating company.

A spokesman for Mitsukoshi said today that the retail sales area of World Import Mart will be about the same size as Mitsukoshi's existing main store in central Tokyo (which also happens to be the biggest department store in Japan). Apart

from that there will be floor space for special exhibitions of foreign goods being "introduced" to the Japanese market and directed towards wholesalers and other distributors, rather than the consumer.

The promoters are also promising a marketing information centre, a business contact service and other facilities designed to ease entry for would-be exporters to the Japanese market.

Pressure on Japan—Page 7

## Hong Kong exports fall in October

Financial Times Reporter

HONG KONG domestic exports in October at \$241.3m. decreased by 0.8 per cent. compared with October, 1976, according to the Hong Kong Trade Development Council in London.

Imports at \$503.3m. were up 8.4 per cent. and re-exports at \$109.5m. increased 11.1 per cent. For January to October, 1977, domestic exports at \$2.5bn. increased 8.1 per cent. over January to October 1976. Imports at \$4.9bn. were higher by 11.1 per cent. and re-exports at \$986m. were up 9.4 per cent.

# KENYA AIRWAYS



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## How Santa Claus personally answers 250,000 letters a year, yet finds time to go to the West Indies.

Now for the first time, from his summer retreat, Santa Claus speaks. Nick, over to you.

"If I had to answer all the letters I get individually by hand, I'd be here till Christmas."

That's why I made myself this little present of a Xerox 800 Electronic Typewriter.

"It allows me to answer every letter from my little pals all round the world. And each one has that essential personal touch."

Here's how it works. I simply type out the body of the letter, thanking them for theirs, making sure they are doing their homework and asking them to be nice to Mummy and Daddy.

"This is then automatically fed onto a magnetic card storage system. (I chose a handy card system, but there's also a magnetic tape system for longer storage requirements.)"

Next, I type out all the names, addresses, dates and individual letter requirements like "electric train sets," or "dolls' house" which go onto a second card.

Then all I have to do is lie here feeding paper into the typewriter.

"Automatically, the machine types out the letters justifying margins, indenting paragraphs, centring, emboldening, underlining—even correcting my errors."

"And all that at a speed of 350 words a minute."

"Consequently, I can take a holiday away from the hurly-burly of sleighman-ship round the rooftops, and get in shape for all those narrow chimneys."

"So, if you're interested in getting one for yourself, write to me at Rank Xerox (UK) Ltd., Dept. S.C., Bridge House, Oxford Rd., Uxbridge, Middx. UB8 1HS. If you send the letter now we could get you one for Christmas."

I would like to know more about the Xerox 800 Electronic Typewriter

Name \_\_\_\_\_

Address \_\_\_\_\_

Business \_\_\_\_\_

FT 25/12

**RANK XEROX**

Much more than a copier company.







## Begin awaiting details of more Egypt contacts

BY DAVID LONDON

TEL AVIV, Nov. 24.

MINISTER BEGIN, Israel's Prime Minister, said today that he expected to receive details of more contacts with Egypt in the coming days. He said that the contacts would be on a high level and would involve the Prime Minister's office.

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## Sadat ready to go alone to Geneva

BY MICHAEL TINGAY

CAIRO, Nov. 24.

PRESIDENT ANWAR SADAT is confident that he will be able to go alone to Geneva for the peace talks. He said that he would go alone to Geneva for the peace talks.

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## Energy Bill concessions plan denied

By David Bell

WASHINGTON, Nov. 24.

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## No oil price accord between Vance, Perez

By Joseph Mann

CARACAS, Nov. 24.

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## OPEC foreign holdings rising

By Our Own Correspondent

NEW YORK, Nov. 24.

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## STEEL IN THE U.S.

# Price competition from abroad eases

BY STEWART FLEMING

NEW YORK, Nov. 24.

LEADING steel-makers in the U.S. are reporting signs of an easing in the recent intense price competition from European and Japanese exporters, because they are raising their prices. This is being reflected in a rising of demand for U.S. steel, the U.S. producers say.

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Some of the largest steel companies—such as United States Steel, Bethlehem Steel and Armco Steel—have all indicated that their order books for the fourth quarter of 1977, or the first quarter of 1978, are filling, although they qualify this by saying that it is too early to say just how pronounced the improvement will be.

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Among the factors which are cited as contributing to the stronger domestic market, in a year in which imports could capture a record share of steel shipments in the U.S., are increasing caution by Japanese and European steel-makers in taking on future commitments, rising prices for foreign steel, and some signs of improved steel demand from the U.S. capital goods sector.

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The caution of foreign exporters in writing contracts for future delivery is said to reflect uncertainty over U.S. trade policy. The Carter Administration will shortly produce comprehensive proposals to help the U.S. steel industry compete with what it has claimed are the unfair trading practices of foreign steel importers. The details of these proposals are uncertain and so foreign steel-makers are cautious.

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Also, a preliminary judgment that Japanese steel-makers have been dumping steel in the U.S. at prices below production costs, has inhibited Japanese marketing operations, especially because a subsequent complaint of dumping against them is now under investigation. Last month, European steel exporters overtook Japanese manufacturers as the largest group of steel exporters to the U.S.

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Neither of these options have been ruled out, according to the reports, but the Administration is leaning towards linking the bomb to the SS20 Soviet missile. This Soviet missile is thought to be a medium-range weapon that poses a serious new threat to Europe. Because of its range the U.S. has excluded it from the current strategic arms limitation talks (SALT), a decision which has caused some anxiety in Europe.

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The suggestion that the bomb might be linked to the SS20 is not a new one, but it has received new attention here following the recent speech in London by Herr Helmut Schmidt, the West German Chancellor. He argued strongly that any new arms control agreement would be seriously flawed if it did not try at some point to deal with a much wider range of weapons than envisaged at present.

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## U.S. weighs option of neutron bomb freeze

By Our Own Correspondent

WASHINGTON, Nov. 24.

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## INDIAN CYCLONE

# Warning would have cut toll

BY K. K. SHARMA

NEW DELHI, Nov. 24.

OFFERS of assistance for relief work in the cyclone devastated states of Andhra and Tamil Nadu. South India have been pouring in from many countries but the Indian Government feels it is in a position to tackle the situation resulting from the damage on its own. Details of the tragedy are still coming in but estimates are that as many as 3,000 people were killed by tidal waves and the cyclone that followed them over the weekend.

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The Lok Sabha (Lower House of Parliament) to-day debated the situation caused by the disaster, which is the worst to hit the country for a century. The scale of the tragedy is such that the Government is considering setting up a permanent national disaster warning organisation to deal with such situations in future.

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This will involve improving the meteorological network in the country since this is a subject of severe criticism. Had advance warning of the cyclone been available, the staggering death toll would certainly have been smaller. It has now been acknowledged that no-one in the affected areas was evacuated before the tidal waves and the cyclone battered the South Eastern coasts.

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The grim picture of the devastation along the 500-km. stretch is unfolding as communications links are restored and rescue teams reach marooned villages. But the dead are



HOME NEWS

# Government asks Mesa for revised Beatrice plan

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT has rejected part of the Mesa Petroleum Group's £275m plan for developing the Beatrice oil field in the North Sea.

The offshore consortium, which includes the P & O shipping group, has been told that its plans to use an offshore loading system, based on a 250,000-ton storage vessel, is "not acceptable."

As a result the companies must now draw up an alternative scheme for shipping the oil ashore through a pipeline. Mr. Dickson Mabon, Minister of State for Energy, said yesterday he expected to receive a revised development programme, incorporating a pipeline system, early in the New Year.

The directive was largely expected by the Mesa partners following protests by Scottish fishermen, environmentalists and local councillors. Mesa had argued that an offshore loading system would be more acceptable environmentally and that a pipeline would present handling problems in view of the waxy nature of the Beatrice crude.

Mr. Mabon told the Commons, however, that consultants had reported that a pipeline would be technically and economically viable. It would also remove or minimise environmental hazards, particularly to fishing activities on the Smith Bank. The proposed floating storage system would be a novel development requiring further design, engineering and tank testing.

But Dr. Mabon has told the companies—they also include Kerr McGee, Cresdon, Hunt Oil, and Exploration Holdings—that because of the impact on fishing and the environmental hazards associated with the waxy crude it was unlikely that he would approve an offshore loading system on a temporary basis.

Mesa said last night that it respected the Government's decision. It hoped to select a suitable landfill for the pipeline within the very near future.

It is understood that the group will also try again to obtain permission for an early production system.

# Tobacco sponsors agree to code

BY STUART ALEXANDER

A COMPROMISE deal has been reached on a voluntary code of practice for sports sponsorship by tobacco companies. Philip Morris, which uses motor racing extensively to promote Marlboro cigarettes, has agreed to remove the Marlboro name from its cars while they are racing in the U.K.

In return it has asked that two years should be allowed for the changeover. This request is being put to Mr. Roland Moyle, the Health Minister.

The agreement was reached at a meeting earlier this week under the chairmanship of Mr. Denis Howell, Minister for Sport, who was charged with negotiating the code on behalf of the Department of Health and Social Security.

Colours The managing director of Philip Morris U.K., a representative of the Tobacco Advisory Council, which speaks for the industry, and a representative of the Department of Health also attended the meeting.

Imperial Tobacco has agreed to stick to its two main colours, red and white, and to paint the name of John Player Special on its racing cars, though it retains the distinctive colours.

The refusal by Philip Morris to remove its name from the racing cars and power at last the last sticking point in the package, which includes restrictions on banners and wearing of advertising material by competitors.

The tobacco industry has also agreed to freeze spending on sports sponsorship at last year's level, but with an allowance for inflation. Sponsorship of other events, such as concerts and exhibitions will not, however, be subject to the same restrictions.

Decision The decision to go along with the rest of the industry was made only this week by Philip Morris in Lausanne, Switzerland. It is thought, however, that the company has asked the British Government not to seek extensive political gain from the decision to climb down. This is because Philip Morris fears other European Governments may be tempted to follow suit.

Philip Morris is expected to withdraw Virginia Slims from the British market by Christmas. The cigarette was launched last autumn as a cigarette exclusively for women. The company is thought to have spent £275,000 on advertising and marketing campaigns.

# Car output's 1% rise contrasts with lorry boom

BY TERRY DODSWORTH

IN THE FIRST 10 months of this year car production has risen by only 1 per cent, compared with 1976, said the Department of Industry yesterday. The slowdown in car output, which has worsened in recent months, contrasts sharply with a strong improvement in commercial vehicle production, which has risen by 7 per cent in the first 10 months.

Car production has clearly been hit in recent weeks by a series of strikes at British Leyland and Vauxhall. In October, output, 104,433 units, was 3 per cent below the rate in the same month of 1976.

December hopes Hopes of exceeding the production target of 1.3m, reached in 1976 rest on a good performance in December. November figures are unlikely to be better than last year's when the industry produced 120,000 units, because of severe disruption in several factories where workers are pursuing pay claims.

Commercial vehicle production still appears buoyant. Despite recent disputes at Leyland, October output reached 32,868 units, 5 per cent higher than last year.

Over the year as a whole, commercial vehicle production for exports has risen by 3 per cent, and for the home market by 13 per cent. Despite this, increase in home-oriented production, exports are still being sucked into the domestic market.

Three contracts worth £2.7m, for the RFL and the R12 estate have been placed by British Leyland.

Renault drive Production of Renault four-wheel drive conversions for cars and light commercial vehicles is being expanded in Britain by Inverlorned Motors of Perth.

Overlorned, appointed sole U.K. concessionaire for the range, has been installing conversions at a rate of about three units a week.

The conversions offered are for the Renault 4 van and pickup. Three contracts worth £2.7m, for the RFL and the R12 estate have been placed by British Leyland.

Big bacon curing group asks for job subsidies

BY CHRISTOPHER PARKES

BRITAIN'S BIGGEST bacon curer, squeezed by rising pig-man and meat prices at home and under pressure from subsidised imports from Denmark, has applied to the Department of Employment for pressure on the curing industry. Government subsidies to save factories would be shut down the jobs of a substantial and skilled workforce.

Mr. John Silkin, Minister of Agriculture, has been trying for 12 months to persuade the EEC director of FMC, said yesterday, Commission in Brussels that the Common Market subsidies amounting to £234 a tonne on bacon and imports from Denmark and Holland should be reduced.

The wholesale price of British bacon was raised £30 a tonne yesterday to £1,900, but a leading processor claimed that this was still £100 a tonne short of break-even point.

The application for Government aid followed a flat refusal by farmers earlier this week to accept a £2.50 a pig price cut.

Unit trusts have compiled blacklist of speculators

BY ADRIENNE GLEESON

AN INFORMAL blacklist has been compiled by some unit trusts companies. It contains the names of individuals who are believed to have attempted to defraud the trustees or managers. The names have been passed to the Unit Trust Association in the last two years for the reference of other members.

The object is to thwart speculators who, for example, place big buying orders with no intention of settling the contract until they are certain of having made a profit.

There are no provisions for delay in the settlement of unit purchases, as there are for the purchase of shares. Payment is due as soon as the contract note is presented—generally within two weeks. But since units are set aside for purchasers as soon as the buying order is received, someone has to stand the loss if the price falls before payment is made.

If the units are set aside have been repurchased from other holders and held by the managers as jobbers, they stand any loss incurred. But where such a speculator has placed an expanding trust and new units have been created to satisfy his buying order, it is the trust itself—and therefore the unitholders—which suffers.

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Mr. Richard Watkinson, Liberal Party industry spokesman, made it clear that his party did not regard the new legislation as a short-term fix, but a long-term solution to the problem of the price of meat.

Mr. Gordon Hobday, chairman of Boots and, until he became a deputy-chairman of the Price Commission, another member of the CBI's prices team, said he understood industry's fears about the new system.

But speaking as a "gamekeeper" who had remained a gamekeeper, despite joining the commission, he asked industry to be patient and give the new body a chance to demonstrate that it had accepted honourably the responsibilities placed upon it.

On the profit, safeguards written into the legislation, Mr. Hobday said that, although most companies so far selected for investigation had been able to invoke the safeguard provisions and so get an interim price increase, this did not mean that the provisions were over-generous.

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# Industrial plant output improves

BY OUR INDUSTRIAL STAFF

THE SLIGHT recovery engineering output recorded in the last month, following a sharp decline in the quarter and the period June-August.

Most sectors of mechanical engineering saw a fall in production during this time. Only compressors and a power equipment, industrial plant and fabricated steelwork, added the mixed category of mechanical engineering products showed any improvement over the average level of the second quarter of 1976.

The small instrument engineering sector showed a 3.5 per cent increase in output, however, and a further 1.5 per cent in scientific and industrial instruments industry between the quarter and June-August.

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# Car ferry service to Spain planned

By Our Industrial Staff

BRITANNY FERRIES is to re-establish a car ferry link with Spain by introducing a twice-weekly service between Plymouth and Santander, on the north coast, in April.

Previous ferry routes to Spain have all been withdrawn, the last in August when Swedish Lloyd closed its Southampton-Bilbao service. Other casualties included services by Aznar and P & O.

Mr. Paul Burns, Brittany's U.K. general manager, said yesterday that he expected the service to succeed, despite the previous failures, due to shorter voyage times.

Brittany's service will take 24 hours with one night at sea, compared with the average 37 hours, two nights on board, by previous operators.

Mr. Burns said the newly-completed motorway links to Plymouth would encourage more people to use that port. Passenger fares will range from £28 to £40, and cars be charged according to length.

Brittany Ferries, formed in 1973, also announced plans for a weekly service between Cork and the French port of Roscoff. This will start in May, using the same vessel as on the Spanish service, which can take 170 cars. Both services will run for an experimental period.

Equipment leasing up to £550m.

By Lynton McLean, Industrial Staff

INDUSTRY WILL lease £550m. of equipment this year, equivalent to more than 7 per cent of all capital plant and machinery investment. Leasing now represents 20 per cent of all externally financed investment in industry.

This represents a 25 per cent increase over 1976, the previous record year for leasing in Britain. Average growth rate in Europe is 17 per cent.

The market in Europe for leasing is still small compared with that in the United States, where 14 per cent of total investment in plant and machinery last year was financed through leasing, compared with a European average of 3 per cent.

Mr. Stuart Errington, chairman of the Equipment Leasing Association, said at a conference in London yesterday that this demonstrated that the market in Europe was greater than that in the U.S. and leasing growth prospects were highly favourable.

Even if the European market for leasing increased to 10 per cent of plant and machinery purchases within a few years, further lease finance totalling \$10bn. a year would be required in addition to current spending.

Cazenove partner dies

MR. TONY BEDFORD, a senior partner of stockbrokers Cazenove and Co. has died suddenly at a conference in London yesterday at the age of 41. He had been at Cazenove for 20 years and a partner for 13.

Following his father who was a partner there for 30 years, Mr. Bedford worked on the institutional side. He leaves a widow, Diana, and three sons.

There was a further danger to Press freedom in the recent law which forbids the publication of the names of the complainant or the accused in rape cases. There was no telling where this "creeping anonymity" would stop.

The alarming increase in serious crime was a reminder, he said, that the public also was entitled to justice.

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# Move to transfer Iberian air traffic to Gatwick

BY DAVID FREUD

THE BRITISH Airports Authority intends to transfer all scheduled Iberian air traffic from Heathrow to Gatwick as soon as possible, probably in 1979.

Mr. Pat Bailey, director of Gatwick, said that officials from Spanish and Portuguese airlines and aviation Boards should arrive in Britain in the next few weeks to study the plan. Talks at Government level have been under way since the summer.

The move would give Gatwick its first exclusive service of all scheduled traffic to an overseas region. It would be a major step in allowing the airport to achieve its target of handling 14m. passengers a year by 1981.

The airport, which will handle about 7m. passengers this year, yesterday opened the key element of its £100m. development plan, a new central pier capable of handling jumbo jets.

This marked almost the final stage of the redevelopment which started in the early 1970s. The new departure concourse should be finished in a few weeks and an extension to the

international arrivals lounge a little later.

With facilities available to handle 10m. passengers a year at Gatwick from next year, the authority and the Government are keen to transfer services there from overcrowded Heathrow. Foreign airlines have been reluctant to make the move.

Capacity Heathrow handled 24m. passengers last year and has capacity for 30m. If the proposed fourth terminal is built a further 8m. capacity will be available after 1984. But demand in the South-East is expected to rise to 80m. by 1990.

Mr. Bailey said that passenger numbers at Gatwick would rise to about 12m. a year by 1985 due to natural expansion and new services already earmarked. Much of the increase would be in scheduled services such as the Laker Skytrain, British Caledonian's Houston route and the proposed Fort Worth service.

The ban on whole aircraft charters at Heathrow from April was likely to provide Gatwick with an additional 600,000 passengers next year, he said.

Scheduled traffic from Heathrow to the Iberian peninsula was 125m. passengers in the last financial year. If the three airlines involved—Iberia, TAP and British Airways—transferred their services to Gatwick it would bring traffic at the airport within a few million of the 1985 target, especially when the ban on Iberian traffic in the next seven years is allowed for.

The authority plans to handle the problem of passenger connections by starting a helicopter service between the airports from next April until the M25 is extended to provide a direct motorway link in 1984-85.

The new central pier, which cost £10m., is a quarter of a mile long and will be capable of taking 11 wide-body aircraft at once. At present, passengers have to be taken to jumbos in coaches.

There are eight moving walkways and air bridges which can be connected to any type of jet aircraft from the BAC 1-11 upwards.

# Swedish chemicals company plans £15m. U.K. investments

BY KEVIN DONE, CHEMICALS CORRESPONDENT

STOCKHOLM, Nov. 24

PERSTORP, the Swedish chemicals and plastics concern, is planning an investment programme of up to £15m. in the U.K. in the next five years.

The expenditure will form an important part of the company's total spending up to 1982 of £135m. — £140m. (£41m. — £47m.).

Mr. Mats Tuner, the finance director, said yesterday that about half this spending was earmarked for investment overseas.

Last year Perstorp bought the decorative laminates business, Waverite, based at Aycliffe near Darlington, from Bakelite Xylonit, a subsidiary of the

U.S. chemicals conglomerate Union Carbide. Much of the expansion expected to take place on this site in the North-East.

The group's other main U.K. subsidiary, Perstorp Ferguson, is already building a phenolic resins plant at Aycliffe. This should be completed in the first half of next year. The resins are basic materials for use in the plastics industry, particularly for moulding powders and laminates.

Perstorp Ferguson, bought from Reed International in 1973, has its main production facilities at Merton, Surrey. It appears likely that in the next

few years the company will concentrate its manufacturing activities at the Aycliffe site, where there is room for expansion. The removal of the Merton plant is unlikely to be completed for three to four years.

In the last 12 months Perstorp has succeeded in going against the trend of falling sales and earnings which has characterised the performance of many international chemicals companies in Western Europe.

Sales rose 20 per cent to £110m. in the 12 months to the end of August. Pre-tax profit jumped 40 per cent to £23.3m. Recovery from the recession continued.

# Free Press 'vital for justice'

FINANCIAL TIMES REPORTER

A VIGILANT free Press was more essential than ever for the maintenance of justice, said Lord Shawcross last night.

But he questioned whether or not justice was being seen to be done in all cases at a time when certain laws hampered Press freedom.

The Press also had a duty to identify judges who neglected their duty he told the annual dinner of the Central Criminal Court Journalists' Association.

Lord Shawcross said it was essential for justice to be administered in the full light of day. He had always regarded as retrograde the law which enables committal proceedings to be conducted without Press publicity.

There was a further danger to Press freedom in the recent law which forbids the publication of the names of the complainant or the accused in rape cases. There was no telling where this "creeping anonymity" would stop.

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# FINANCIAL TIMES CONFERENCE ON PRICE POLICY AND THE ROLE OF THE NEW COMMISSION

## Industry attacks idea of third watchdog

BY ELINOR GOODMAN

THE NEW Price Commission has already achieved significant results through informal negotiations with companies, Mr. Roy Hattersley, Secretary for Prices, said yesterday.

He said at a Financial Times conference on price policy and the role of the Price Commission that within a few months it would be seen that the commission had had an impact on both the prices and efficiency of some companies.

Burden Hattersley implied that it was a pity the commission had "hidden its light behind a bushel," but that it would be wrong to think the commission had not achieved anything in its first four months.

Fears were expressed by earlier speakers about the administrative burden the new price controls would impose, but Mr. Hattersley said the new system would prove far less onerous to industry than the old Price Code which expired in the summer.

Adequate safeguards had been built into the system and efficient companies had nothing to fear.

Earlier, Mr. Ronald Utiger, managing director of British Aluminium and chairman of the Confederation of British Industry's prices negotiating team, had challenged two of the basic assumptions on which the new Price Commission could play a positive role in improving industrial efficiency and in stimulating competition.

He claimed that these were not matters which the commission could or should deal with. The new prices legislation was not only unhelpful for its task, but contained powers which were far too wide to be entrusted to any government. It should be repealed as soon as possible.

The CBI had said a year ago that price controls had no economic justification. Nothing had happened in the last 12 months to change that view.

Pervasive The Government had correctly analysed the various components which went to make up a price and had thought through the possibilities of influencing price levels without damaging industrial profitability. Having

# Review of insider trading due

By Margaret Reid

A WHITE PAPER containing the Government's proposals for legislation to outlaw insider trading and to regulate lending by companies to their directors is expected to be published within the next few days.

A new Bill to amend company law was promised in the Queen's Speech this month, but the signs have been that pressure on Parliamentary time will confine it to two limited measures.

They are action to implement the European Economic Commission's Second Directive on Company Law—notably on the names of public companies—and concerning the Registry of Business Names.

identified the right issue, however, the Government had put the wrong solutions into operation.

While there were areas where competition was not active enough, it was a far more pervasive force than was generally recognised by most economic analysts. Moreover, there were already in existence two government bodies in the field of competition.

Mr. Utiger said that it was a "very severe criticism" of the Monopolies Commission and the Office of Fair Trading for the Government to find it necessary to create a third body in the field of competition.

If changes were needed in the composition of these bodies, these should be made and the CBI would support them. It was totally wrong, though, to impose price controls on virtually the whole of British industry when the problem could be tackled on a more selective basis in other ways.

On the question of efficiency, Mr. Utiger said he was at a loss to understand how the Secretary of State had convinced himself that a Price Commission was going to have a measurable effect on British industry.

It was not enough merely to identify inefficiencies. It was the implementation of improvements that was the problem and it would not help industry to have another outside body telling it what to do.

Dr. Gordon Hobday, chairman of Boots and, until he became a deputy-chairman of the Price Commission, another member of the CBI's prices team, said he understood industry's fears about the new system.

But speaking as a "gamekeeper" who had remained a gamekeeper, despite joining the commission, he asked industry to be patient and give the new body a chance to demonstrate that it had accepted honourably the responsibilities placed upon it.

On the profit, safeguards written into the legislation, Mr. Hobday said that, although most companies so far selected for investigation had been able to invoke the safeguard provisions and so get an interim price increase, this did not mean that the provisions were over-generous.

The Liberal Party industry spokesman, made it clear that his party did not regard the new legislation as a short-term fix, but a long-term solution to the problem of the price of



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1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.

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## HOME NEWS

BP set to meet  
Ninian deadline

BY RAY PERMAN, SCOTTISH CORRESPONDENT

BP IS confident that it will be able to meet the May deadline for receiving the first crude from the Ninian Field into Sullom Voe oil terminal, now under construction in Shetland.

Mr. Basil Butler, manager of the terminal project, said yesterday that, barring an unforeseen major disaster, commissioning of the initial loading equipment and storage tanks would synchronise with completion of work on the Ninian southern platform.

Pipelines from the Ninian and Brent Fields are laid into the terminal.

The project is expected to cost £672m. The £170m increase in last year's estimate is the result of an increase in designed capacity from 826,000 barrels a day to 1,380,000, as well as inflation.

The oil companies in the two pipeline groups will revise their requirements again in May and are expected to call for a further substantial increase in capacity in the next phase of construction. The two pipelines can carry up to 2m barrels a day and a third could be accommodated.

Although the May start-up date is eight weeks later than originally scheduled, BP, which is building and will operate Sullom Voe, believes it is able to avoid delay.

Temporary buildings are being put up over working areas as a precaution against bad weather and recruitment and training of the 70 staff needed to operate the first phase is well advanced.

The company is reasonably sure that it will be able to maintain the good industrial relations climate which has prevailed since the two weeks' stoppage seven months ago. A pay agreement should be signed by Christmas and Mr. Ted Ferguson, senior project manager, said that he expected it would be within the 10 per cent guideline.

BP is slightly less firm about completion dates of later parts of the project. It expects to be ready to receive crude from Brent and from the Heather Field in October 1978.

But Sullom Voe will not be able to handle petroleum gas until process plant is commissioned in July 1979. Up to then it will be flared off at the platform.

This date is four months behind schedule, largely a consequence of the re-design necessary to meet demands of Shetland Islands Council.

Mr. Butler added: "Completion dates in 1979 are less certain than those in 1978, but at the moment we see no reason why we cannot meet them."

Exports  
of oil  
rise  
80%

By Ray Dafer, Energy Correspondent

NORTH SEA oil production is having a major impact on Britain's exports. Figures published by the Department of Energy yesterday showed that the value of crude oil and refined products exported in the third quarter was £558m—an 80 per cent increase over the previous year.

The value of oil imports in contrast fell by 15.6 per cent to £1,180m—again thanks to offshore production. Oil produced from the North Sea accounted for nearly 40 per cent of total crude oil supply during the first nine months of this year as against just 9 per cent in the corresponding period last year.

With the country experiencing substantially colder weather this year, total inland energy consumption rose during the period by nearly 8m. tons of coal equivalent to almost 24m. tons. Allowing for temperature correction and seasonal adjustment, this means that 2.4 per cent more energy was used than in the same months last year.

## Coal stockpiles

Total coal production in the quarter was slightly higher than a year ago, entirely because of a 19.4 per cent rise in open-cast production. Deep-mined production dropped by 2 per cent to 28.4m. tons.

The Government's Energy Trends show that coal consumption during the period rose by 1.3 per cent. Although total coal stocks rose by 900,000 tons during October, the amount of coal stockpiled at power stations was 19.1m. tons—about 2.1m. tons less than a year ago.

Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons on Wednesday that there were adequate and well-distributed stocks of fuel to meet this winter's needs. Domestic coal consumers could experience some shortages, though, if the weather was particularly severe and if the mining industry did not increase production.

Total gas supplies during the August-October period were 10.3 per cent higher than in the same months last year.

Electricity demand during the quarter was up 7.8 per cent. The amount of electricity generated from nuclear power in the first nine months was 19 per cent more than a year ago.

## NEWS ANALYSIS—A QUESTION OF MY EXPORTS AND YOUR DUMPING

## A rusty future for U.K. steel

WHEN two or more steelmen from different countries meet these days they are likely to talk of my exports and your dumping. Problems which have hit British Steel Corporation so severely are being shared to a greater or lesser extent by all Western steelmakers, and they are becoming edgy with each other.

Their blast furnaces and steel-making vessels are pouring out more iron and steel than can be sold in home markets. That surplus steel must be sold in other markets, abroad, at whatever price it will fetch.

During the last few weeks, salesmen have been showing signs of desperation and the international markets for steel are becoming increasingly disordered.

British Steel's record half-year loss of £201m, announced yesterday, is likely to be followed in the second half of the financial year in March 1978 by an even greater loss of about £300m. The international slump in steel demand is the root cause—although out-of-date steelworks in many parts of Britain, over-manning, and the cost of an ambitious, half-finished investment programme are all contributory factors.

The corporation exported steel to the value of £525m in the first half-year which, on the face of it, looks good because it was a considerably higher export value than the £386m achieved in the first half of last year.

But, behind the overall figures is a sorry story which reflects troubles being experienced by all big steelmakers trying to export a component of their production.

British Steel's export drive—including a special push to regain lost markets in the U.S.—has been achieved only at the expense of profits. Export sales totalled 1.7m. tonnes in the half-year and were one-third higher than in the first half-year of 1976-77. But receipts were only 22 per cent up.

## A lack

Although the corporation's export profits are not published, it is no secret that British Steel, like other major international steelmakers, is not expecting to make money out of exports during this most difficult year. The steel is being sold abroad to keep plants working and to maintain British Steel's position in traditional export markets such

as the U.S. and in newly-won markets such as Continental Europe and parts of the Middle East.

While British Steel is treading water abroad in the hope of not going under, the recession is troubling it severely in the home market for two reasons.

There is the actual lack of demand for steel. It is apparent right across the market with the exception of some engineering steels. British Leyland's falling share of the British car market and the growth of foreign car imports has exacerbated the problem for the corporation's flat products mills. Wales, the main home of strip steel production, is losing much more money than any of the other steel producing divisions. The actual breakdown is not published.

British Steel has lost its traditional control of the home market in terms of pricing and supplying. In the first half of this year, British Steel delivered 4.9m. tonnes in the home market compared with 5.5m. tonnes in the first half of last year, which was itself a bad year. The corporation's share of the home market is down to between 50 per cent and 60 per cent, compared with the traditional 75 per cent plus. Moreover, the British

market, within the last few months, has become fully exposed to price-cutting on steel products which is going on around the world.

The impact of steel imports on the British home market prices is an important and novel development. During previous world steel slumps the British market, supplied by British mills in the main, remained reasonably insulated from the fluctuations of world prices. But this time the slump has gone on for so long, and other steelmakers have become so hungry for orders in Britain, that the insulation has broken down.

Old customers are telling British Steel that unless the corporation aligns its prices with those of low-priced imports they must shift their business. Steel imports are rising rapidly. Stockholders are handling steel from South Korea, India, South Africa and Comecon countries as well as from the western European producers.

While the talks drag on with Government and unions towards securing a new strategy for British Steel, which would hope to fully return the ailing plant to profitability, the corporation is taking what steps it can to save

money. Capital spending has been reduced by about £100m. 70 just more than £500m. for the present financial year.

Raw material stocks have been allowed to run down. Stockpiling of steel, which was going on during 1976 in anticipation of an upturn in demand, has been replaced by a strong policy to get rid of stocks. That has been going on throughout the year and will continue this winter. There will be a stock reduction of 300,000 tonnes of steel by the end of December.

A minor absurdity is that two years ago the Government financed so-called "counter-cyclical stocks" from British Steel production during a difficult period. About £30m. worth of steel—260,000 tonnes—is being stored still under this arrangement and has to be clearly marked at the works. The cost is being borne by the Government as a separate small corner of British Steel's losses. This is surely the only current case in world steelmaking of major steel stocks being financed to be ready for the next boom.

All surveys of world markets agree that there will be too much steel chasing too few orders for at least two years to come.

Second platform brings  
Brent back on stream

BY RAY DAFTER, ENERGY CORRESPONDENT

THE BRENT FIELD, operated by North Sea partners Shell and Esso, is back on stream following the commissioning of a second production platform.

The field, the biggest in the North Sea with an estimated 2bn. barrels of recoverable reserves, was shut down five months ago for the installation of 25 handling equipment on the "B" platform.

This structure, the first to be installed on the field, is not due to resume production before the middle of next year.

In the meantime, Shell and Esso have commissioned the "D" concrete production platform, which is floating at an initial rate of 5,000 barrels a day into the storage cells in the base of the platform.

Production will build up to

45,000 b/d during the first few months.

It is expected that the tanker Esso Warwickshire will load the first cargo from the "D" platform in about a month's time. The platform has enough capacity to store 1.1m. barrels of crude.

Shell said yesterday that the field is likely to produce an average of about 100,000 b/d next year. Eventually Brent will be exploited through four platforms and a pipeline into the Sullom Voe terminal at Shetland.

The pipeline system is likely to be commissioned late next year or early in 1979.

Once all the production facilities are in operation, the field should yield 450,000 barrels of crude oil a day, gas liquids at 100,000 b/d and natural gas at 600m cubic feet a day.

Bottle production  
at record level

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE GLASS container industry has been at full stretch for much of this year but it now appears to have caught up with demand, said Mr. Stanley Race, president of the Glass Manufacturers' Federation at the annual lunch yesterday.

The federation said later that for each of the five months to the end of September, production of bottles and jars had reached record levels, beating even the previous peak of 1974—a year of severe shortages.

Part of this year's demand has come from packers and the glass container makers themselves restocking because inventories had sunk to a low level by the beginning of 1977.

Mr. Race pointed out that, during this year, idle capacity has been taken up and some additional new capacity created.

The industry's investment programme, worth £70m. last year,

was now costing nearly £55m.

Its advertising campaign with the theme Get It In Glass has this year been extended to include co-operation with retailers as well as packers. The federation is spending £465,000 this year on this promotion.

## Recycling

The federation's environmental programme had been marked by the introduction of the bottle bank recycling scheme, recalled Mr. Race. He revealed that 39 local authorities have expressed an interest in the bottle bank idea.

The scheme is running in Oxford, Barnstaple, Southampton and Colwyn Bay. Chelmsford will complete the planned first phase shortly.

In the first three months of operation, 180 tonnes of glass was reclaimed under the scheme, representing around 340,000 bottles.

Warrington  
plans 7,500  
new jobs

By Rhys David, Northern Correspondent

WARRINGTON NEW TOWN is hoping to provide 7,500 new jobs and the same number of private and rented houses over the next five years, in plans outlined yesterday.

They have been drawn up following the decision by Mr. Peter Shore, Secretary for the Environment, earlier this year, to impose limits on the induced population growth of new towns.

Warrington has been given a new target of 170,000 people by the end of the 1980s instead of 200,000 by 1991. But it is expected the town will grow beyond the new limit by its own dynamism.

The job targets are based on the estimated construction of about 500,000 square feet of purpose-built factory space each year in addition to the Development Corporation's existing annual advance programme of 250,000 square feet of factory floor space and 20,000 square feet of offices.

Lawyers delay code  
of practice for mail

BY JOHN LLOYD

DISCUSSIONS on a code of practice for the Post Office have been delayed because the corporation's lawyers think there are insurmountable problems over the adoption of a code for letters and parcels.

The signing of the code covering telecommunications services—telephones and telegrams—has, however, been more or less agreed between the Post Office and the Post Office Users' National Council.

The central problem over posts is that most letters and parcels pass unrecorded through the system. Unless there is a record, the lawyers say, any claims that items have been damaged while in Post Office hands are unprovable.

Even with a record of posting, they say, it would be in practice impossible to determine whether the damage was caused by the corporation's employees, by the fault of the customer or by the recipient or by the receiver of the letter or parcel.

The users' council claims that it would be possible to bring in a simple form which would act as a record of posting, for parcels at least.

Senior postal executives are believed to sympathise with this suggestion, but so far the lawyers' caution has prevailed.

On the telecommunications side, the Post Office has agreed in principle to codify existing practice; offer rebates on the rental of telephones out of order for more than a day; remedy errors in the directory by free redirection of calls; notification of the correct number in the subscriber's callers and paying for Press advertising giving the correct number; and to refund the sender for the cost of an undelivered telegram.

The Post Office is under pressure to introduce the code to head off the Conservatives, who want to abolish the exclusion of the Post Office from the Competition Act of 1976.

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Financial Times Friday November 25 1977

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TY CHRISTIAN TYLER, LABOUR EDITOR

"Our Councils would give no false examples, but said: "If we are not careful, we could be repeating the mistakes of the past, and seeing British decline continue." We called on the Government to again fund the council, as it was one of Britain's competitors abroad. In Britain, we are playing hard to improve productivity. Our competitors do it for us."

The State funding of the council was abolished by the new Government, the number of local associations covered by the council had declined from 60 to 20, and only 25% of its members of the council wanted Government help.

We gave him a year to the Welsh Journal Authority to persuade the Government that local associations are trying to maintain the Britain that people

BY OUR LABOUR STAFF

**THE ASSOCIATION of Broadcasting Staffs** agreed yesterday that the union would maintain its campaign of lighting strikes even if the BBC went ahead with plans to put pay increases, which the union says are too small, into pay packets.

It was prepared to continue industrial action until talks on a new pay deal started.

The programmes of 12.2 and 2.25 p.m. were disrupted from 8 a.m. to 9 a.m. yesterday when technicians walked out.

The BBC has said it is implementing a pay deal which would mean about 10 per cent.

BY PAULINE CLARK, LABOUR STAFF

**EXPLORATORY** talks aimed at reaching a solution to the 17-day annual strike by lift maintenance workers were resumed yesterday under the umbrella of the Advisory Conciliation and Arbitration Services.

But there was still apparent deadlock in a long-standing separate dispute over allowances for lift engineers employed by the Property Services Agency in Government-owned buildings in London. A two-week industrial action by this group of industrial workers in support of a year's claim for retrograded craft allowances is beginning to produce an accumulation of maintenance work which has already put some lifts out of order in the Houses of Parliament.

The national strike, involving some 5,000 skilled fitters and maintenance workers employed by private lift contracting firms, has meanwhile weakened lift services in tower blocks of flats and tall office buildings throughout the country.

After the strike over a pay claim was made official recently by the Electrical and Plumbing Trade Union, union negotiators and employers' representatives were invited by ACAS to start talks in London earlier this week.

But after seven hours of discussions on Tuesday, yesterday's resumed talks showed little sign of having progressed beyond the stage of "exploring possible areas on which to base negotiations."

The dispute between maintenance engineers and 30 employing companies represented by the Engineering Employers' Federation began last August when a national claim for an hour for trained fitters was rejected outright by the Federation.

The employers argued that the claim amounted to a pay increase of about 250 per cent. and was incompatible with Government pay policy.

A 10 per cent offer with increased allowances was rejected by the fitters whose wages range from £50.50 to £56.70 for a 40 hour week.

BY DAVID CHURCHILL

A BREAK report on London's future as a centre for manufacturing industry is published today by the London Chamber of Commerce and Industry.

The Chamber's report, timed to coincide with the first Department of Environment conference on the problems of small firms at the City being held on Wednesday, says that although London is slowly dying from a lack of new investment.

The report warns that without an injection of Government funds the decline in industry in the capital could lead to serious social repercussions.

"The inner London boroughs already suffer from high levels of social deprivation and unemployment, with more jobless in the GLC area than in the whole of Scotland," says the Chamber.

There are also "enormous numbers of unskilled immigrants and unemployment among school leavers."

The Chamber says that public policy and technological changes have "stripped London of its manufacturing and public utility industry" and have subsequently prevented London seeking replacement sources of wealth.

As an immediate step to overcome these problems, the Chamber wants London to be given the status of an assisted area for the next ten years. This would enable companies to secure substantial Government grants for new investment in the London area.

But the Chamber also believes there must be a revival of business confidence in London's future, as well as investment in London's infra-structure, such as new transport links, before there can be any chance of an industrial regeneration.

It concludes: "If the Government continue to discontinue support for London, in the further decade there could be a serious collapse in the society of London."

## BY STUART ALEXANDER

UP TO 120 jobs would be created at Livingston New Town over the next three years in a move announced yesterday by GEC-Marconi. The two companies are to take most of the equipment and office block to develop new products.

Marconi, based at Chelmsford, Essex, will be providing about 90 of the jobs, most of which will be filled locally. Only three senior employees have been asked to move to west Scotland.

Mr. Ian Alexander, engineering director of Marconi Communications Systems, said that with a 10 to 15 per cent turnover of staff at Chelmsford, the company was expected to run to stand still.

At Livingston, the company would be able to draw on the

**BY NICK GARNETT, LABOUR STAFF**

**INDIVIDUAL** bank staff associations, rather than their central body, are being left to make formal responses to the proposal from employers that an independent inquiry should be held on clearing bank staff representation.

The national executive committee of the Confederation of Bank Staff Associations agreed on this earlier this week partly because the staff association at Lloyds already has decided in principle to co-operate with an inquiry.

But the staff associations, which have agreed to the inquiry if certain conditions are met, are to cover all clearing banks. It is understood that the staff associations also would want the inquiry to be wide-ranging, possibly bringing in the international banks.

The Federation of Bank Employers sees the inquiry as a first step in the formation of a single staff union.

## International

It is also designed to emphasise what the association believe is a need to have a federal structure of bank representation if one staff body for the banks is formed.

**THE LIVERPOOL** ambulance strike, which worsened suddenly yesterday to involve eight out of nine depots, ended last night after two hours of talks between the management and unions on pay claims.

The area health authority said that union representatives had agreed to restore full normal working as quickly as possible from today.

**By Richard Evans, Lobby Editor**

**MINISTERS APPEARED**  
determined yesterday to continue total resistance to the firemen's claim for a wages settlement above the 10 per cent. guideline.

The issue was discussed at length in Cabinet and Ministers received a detailed progress report on the 11-day-old strike from Mr. Merlyn Rees, Home Secretary.

All the indications afterwards were that Ministers were preparing for a third week or more of the strike and there were no signs of any imminent offer to the firemen.

After Mr. Callaghan's forthright speech to the electricians' conference at Blackpool on Wednesday, Ministers appeared to accept the need to maintain the 10 per cent. guideline no matter how inconvenient the

Conservative MPs are backing Mr. William Whitelaw's suggestion that firemen, like the armed forces and police, should surrender the right to strike—in return for a new wages structure involving

A group of Conservative MPs last night tabled a House of Commons motion to establish a "special category" of people, such as firemen, with responsibilities bearing directly upon the protection of the realm.

BY ALAN PIKE, LABOUR CORRESPONDENT

**LOCAL AUTHORITY** employers are adopting a negative approach to pay questions and inevitable pressures were building up, Mr. Jack Bradburn, chairman of the National and Local Government Officers' Association (NLGO), said yesterday.

"We must warn the employers and we must warn the Government that they are squeezing the public sector too far. Their squeeze is producing pressures which are leading to a strong reaction from public-sector groups such as police, firemen and teachers in universities," he said.

Between 1971 and July 1977, said Mr. Bradburn, pay in real terms had fallen by between 9 and 26 per cent., caused first by inflation and then by wage controls.

**FURTHER TALKS** to try to break the deadlock that has halted output of Triumph TR7 sports cars and Dolomite saloons for three weeks are being held to-day at Leyland Cars plant in Liverpool.

Nearly 2,000 workers are on strike over manning levels and another 4,000 at Liverpool and

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# Royal Mail Parcels







# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PACKAGING High-speed handling of many shapes

ABILITY TO handle various shapes at speeds up to 7,200 per hour in single index form and in that with dual units is characteristic of a newly developed packaging line just based for marketing by Autopack, which says its new-brain line can compete in speed and accuracy with any other equipment.

Autopack Mk II has been designed to meet the demands of busy environments yet provide a simple and reliable operation. It is a further advance in performance since, thus far, Autopack Dialweigh has been able to cope with 5,000 filling operations an hour working in conjunction with existing packaging machines.

The container handling device will deal with cylindrical, square, rectangular or oval containers and other shapes—subject to design approval. The line can have gas purging facilities so that products which must be packed with a reduced level of oxygen in the finished can are within its scope.

Electronic control and monitoring facilities are provided and the units may be linked to external paper tape or display devices.

Further details of the new lines from Autopack on Malvern 61051.

## QUALITY CONTROL Test move by Rascal

ALTHOUGH naturally reluctant to admit details for the time being, the managing director of the newly formed Rascal Automation made it clear this week that the name has been chosen with good reason.

It seems very likely that the new company, now moving into 30,000 square feet premises at Basingstoke, will soon line up its sights on automation in industrial production in addition to its present targets in the automatic testing field.

Its present product range, developed in the Testcom group of the parent company from which the Rascal staff has been drawn, is already pointing clearly in the direction of equipment that can be operated with very little skilled manpower. Much of this was developed to test the military Clansman radios.

Rascal is, however, looking beyond the obvious military and government orders—there have been recent awards from Pirelli, the Army and from the Royal Air Force to name a few. The company is also looking at the computer-aided testing of, for example, the new Micro-SM.

Unlike many of the big-scale systems which make "bed-of-nails" contact to printed boards and will even "ride the knobs" of the tested equipment automatically, the SM simply tells the test technician what to do next—in clear unabbreviated English on a four-inch CRT. It is not connected to the test item; the user simply carries out the instructions on the screen and make responses using a key-pad, working quickly through such things as test generator settings, voltages found, current expected and so on. He continues in this way until the test is complete or faults are found.

The program is on floppy-disc in a control unit while a display/keyboard unit, which may be operated remotely, is used to make responses.

It is a system in which virtually no knowledge of the test, or the tested equipment, is needed; sales of both the rugged (military) and civil version are expected particularly from underdeveloped countries. Nearer home, the SM is likely to appeal to both manufacturers and service companies handling a modest volume of several kinds of unit. Each change entails only the insertion of a different floppy disc. More on 01-841-4606.

GEOFFREY CHARLISH

## Marconi's selection

OUR TYPES of automatic test equipment (ATE), incorporating the latest techniques for programming to carry out virtually any kind of testing task, will be shown in Brighton next week by GEC-Marconi Electronics.

The company, which is creating increased employment opportunities through growth in its output of capital electronics (both annually), is itself a major user of ATE.

At the Brighton ATE Convention, specialists are presenting papers based on experience with new techniques for applying to products, from single components to complete systems, at all levels of testing from production field support, in industries including defence, aviation, medicine, communications, consumer electronics and automotive products.

Emphasis by the GEC-Marconi Electronics companies is particularly on speed of testing. One of the test program preparation methods of software support for the ATE user.

Autotest Division of Marconi Instruments is showing a tape-controlled and a computer-controlled automatic electrical inspection system. These provide thorough inspection of assembled printed circuit boards, allowing every component to be tested in situ for correct value, mounting and polarity, and also the track and soldering.

New software from MI includes "Autoguard" package developed for automatic program generation. Needing only knowledge of component circuit reference, value, tolerance and test point connections, the program decides whether three or four terminal measurement is needed, compares the test frequency of measurement and creates the test program. A new compiler can convert the high level program into machine code for high speed operation to shorten test times even further. This program can then also be used on less expensive subsidiary "Autotest" systems.

Marconi-Elliot Avionics has a digital tester which expands the range of the Compact ATE family to cover virtually every kind of testing need from sub-assemblies to line replaceable units (LRU), operating over digital, video and microwave frequency ranges.

The latest version of Compact is a two-bay system for testing digital sub-assemblies from simple logic networks to complex system modules contained in the most sophisticated avionic systems. It is backed by a newly developed software simulator, for verifying the design of digital sub-assemblies, for assessing their "testability" and for automatic test program generation, with on-line editing and automatic translation between test languages. To do this it fully exploits the processing power which is now available from a network of computing bureaux, to which it is connected by telephone link.

## COMPONENTS Chip scans the data

TEST function to be reduced the size of a single sensor or integrated circuit "chip" that of data acquisition.

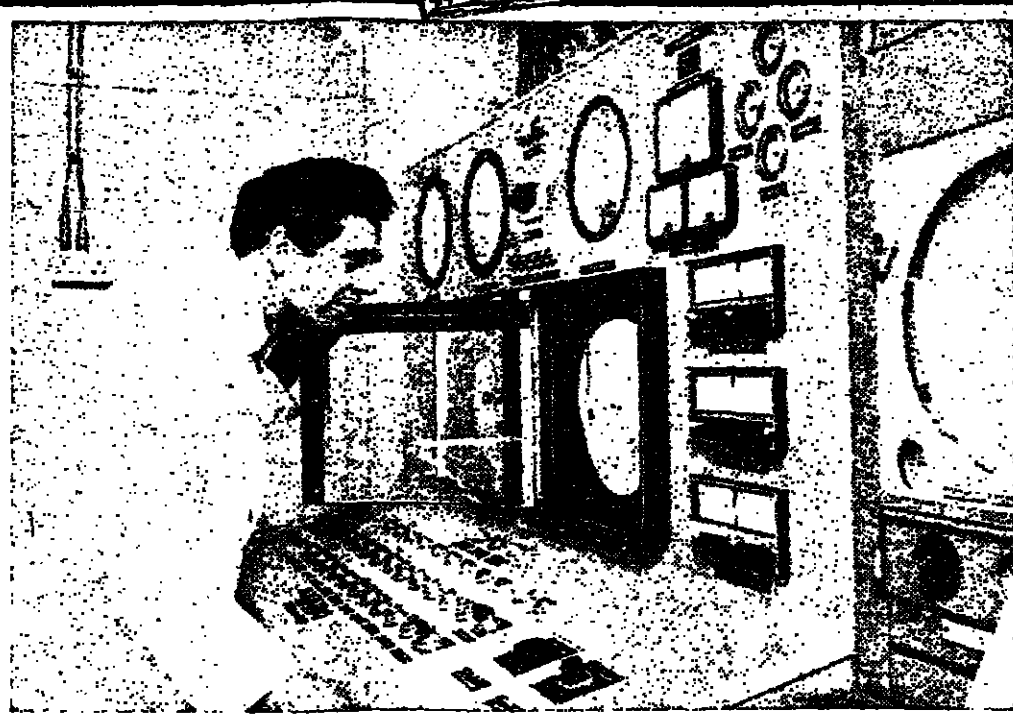
The actual chip is less than an inch square; it contains a te eight bit analogue-to-digital converter with latch outputs, a channel expandable multi-exer with address input latches, a division for handling external signal conditioning, and all the logic control needed for interfacing the chip to any standard microcomputer.

Running from a single five volt supply, the ADC0816 costs about £13 in 100 quantities and will permit a considerable product savings since it can, according to the maker National Semiconductor, replace 250 to £100 of hybrid and discrete components.

This 40-pin device performs a conversion in only 80 microseconds and is particularly suitable for use in process control, machine control and medical instrumentation design. More on 0234 211282.

The major part of the 400 types of culture media produced in tonnage quantities each year by Oxoid is processed in spray drying equipment which demands a high accuracy in temperature, air speed and spray control. Until recently, the company was using a mechanical control system but it had for some time been clear that it was obsolete and no longer adequate to meet the demands of the manufacturing process.

Oxoid's senior project development engineer, Carey Moore, set about redesigning the control equipment around up-to-date electronics and finally produced the array shown here. It is the display and control and of an extremely complex wiring system linking sensors with controllers as well as fans and pumps. These maintain the exact temperature required for the product before, during and after passage through the spray driers. Further details from the company, which is part of the Brooke Bond Liebig group, at Lion House, High Street, Croydon CR6 1JQ.



## MATERIALS Containing pollutants

APART FROM its very considerable services to the hospitals in reducing the dangers of cross-infection, a water soluble plastic film, which also is biodegradable, has a number of important industrial applications.

The film is to a large extent impervious to bacteria but any

## Tough skin on steel

PROVIDING better than 90 per cent. by weight of zinc in the dry coating, a series of zinc-based protection systems for steel structures subjected to environmental corrosion is being marketed by Belzona Molecular Metals.

Resin is the carrier for extremely finely divided zinc but the company will say no more than that about its formulations which are intended to present the zinc as a sacrificial element

which prevents the underlying iron molecules from reacting with the oxygen and moisture in the atmosphere to produce rust. Steel objects are blast-cleaned and the zinc complex applied by spray or brush. If required, further protective coatings can be applied to give the protected structures extremely long resistance to both acidic and alkaline environments.

The primary coat has a high degree of self-healing and, the company asserts, steel once treated never again needs re-blasting.

More from Belzona Molecular Metals, Claro Road, Harrogate, 0423 87641.

## MACHINE TOOLS Big Russian borer and miller

ONE OF the largest machine tools built in the USSR is now on its way to the U.K.

It is a double column, twin ram vertical boring and turning mill, with a table diameter of four metres, and will handle workpieces of four metres by two metres high. The table will carry a workpiece weighing up to 50 tons.

The drive motor is of 84 hp, providing sufficient power to use tungsten carbide cutting tools for maximum metal removal in both roughing and finish turning and boring.

Table speeds can be varied from 1 to 437rpm, and tool ram speeds from 0.052 to 470 mm/min. Constant cutting speed control is incorporated, which allows large surfacing operations. The borer is supplied with side head and electronic copying attachments on one tool head, and a taper turning device. A hydraulic track relief mechanism is provided for easy starting with maximum table loading, extending the life of the table ways.

All machine functions can be controlled from a free standing floor console, or from the remote control motorised pendant unit. Total weight of the machine with standard equipment is about 100 tons.

Imported by Hartle-Stedall, Wellington Road, Ashton-under-Lyne, Tameside, OL6 6DB (061339 3831), the machine is priced at about £200,000, a figure believed to be around 25 per cent. less than its nearest U.K. competitor.

Control for industry

THORN AUTOMATION

Bugeley, Staffs, England

## INSTRUMENTS Measures moisture in grain

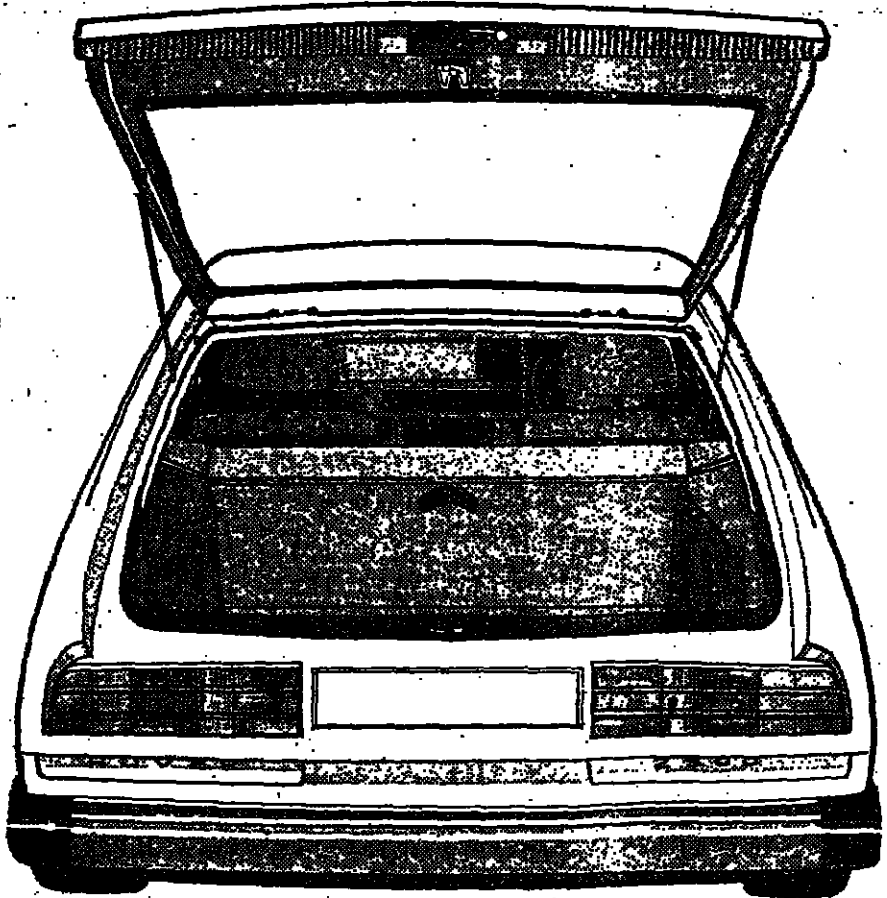
OF INTEREST to grain and seed merchants or compounders, as well as farmers, an electronic moisture meter from RDS (Agricultural) can be used on either ground or unground samples.

Called Grain Testa, the unit has a built-in temperature correction system and measures the resistance of the sample, which forms the arm of a dc bridge. The sample cell measures 32mm diameter by 28mm deep and the contents are compressed to a standard pressure before the reading is taken. Accuracy in tests in the laboratory has been within ±0.3 per cent.

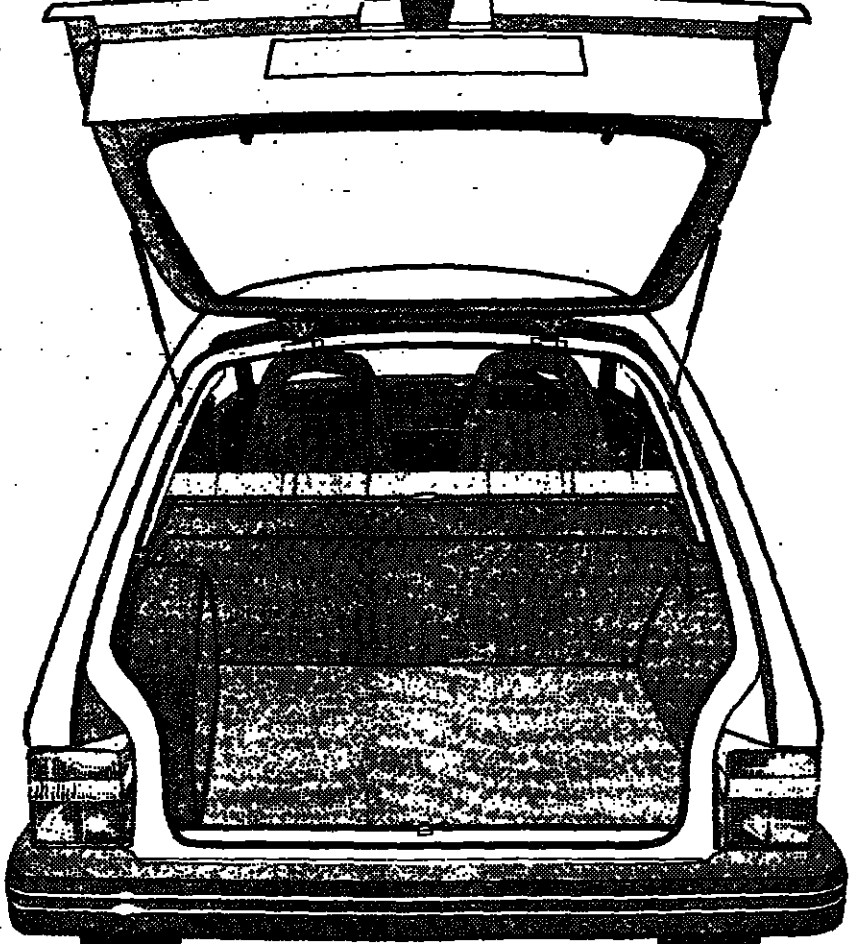
Range covered is from nine to 30 per cent. moisture, making the instrument suitable for all parts of the world. There are ten scales from which readings are taken, each for a different crop, and any one can be brought into view by rotation of the cylinder on which they are engraved. Operation is from two small nine-volt batteries. More from Stroud Road, Nailsworth, Glos. GL6 0BE (045 383 3787).

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# The Management Page

EDITED BY CHRISTOPHER LORENZ

David Buchan looks at high redundancy costs in Belgium, in a week when a bid for Fairey Group excluded its interests there

## The price of Badgerdom

THE golden 1980s and early 1980s are being defined by the Belgian companies in Belgium for longer than they want to stay, or at least for longer than they want to stay in Belgium. But the influx of new investments has slowed down in the last few years, and the cost of doing business has risen sharply. The cost of doing business in Belgium is now more than double that during the same time, a fact which is being taken into account by the Belgian companies in Belgium for longer than they want to stay, or at least for longer than they want to stay in Belgium. But the influx of new investments has slowed down in the last few years, and the cost of doing business has risen sharply. The cost of doing business in Belgium is now more than double that during the same time, a fact which is being taken into account by the Belgian companies in Belgium for longer than they want to stay, or at least for longer than they want to stay in Belgium.

redundancy payments and so on. Nor, surprisingly, is there anything legally defined in Belgium as severance pay: there is only the notice that must be given to employees—or, and this is where the money comes in, cash in lieu of notice. Blue-collar workers, defined as hourly or weekly-paid, are blatantly less well treated. The law gives those with less than 20 years' service a minimum notice of 28 days, and double that for workers with more than 20 years' service. For salaried white-collar workers, on the other hand, the handshakes can be golden. Those earning more than B.Frs. 250,000 (just over £4,000) a year get a minimum of three months' notice for every five years of service. The start of another five years of service automatically tacks on another three months to the notice period. For an employee earning more than B.Frs. 250,000 the notice period is negotiable, using the minimum notice of legal minimum notice period, have been very high: awards of say, a 40 months' notice period (the labour courts) will require more generous francs when translated into cash for a high earning senior executive. Obviously only a tiny proportion of discontented employees go to court—a litigious employee can find it hard to get another job. But the knowledge that it can take two to three years for a court judgment makes many employers willing to settle out of court.

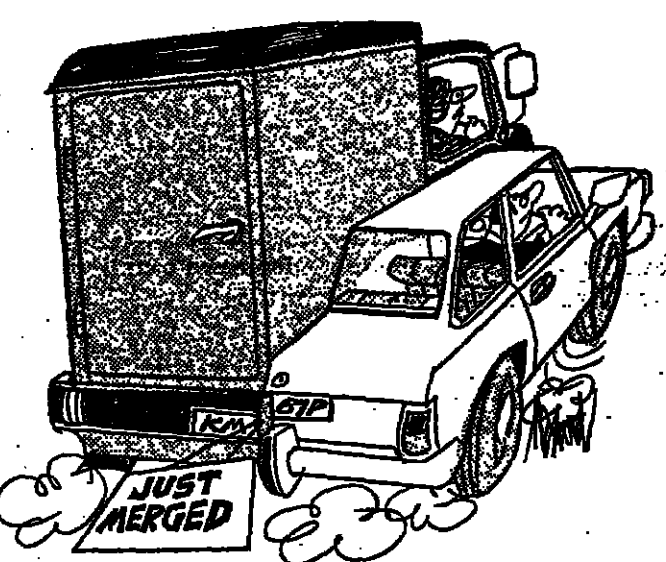
engineering industry, for example, has secured for its blue collar workers a doubling of the legal minimum notice period. A Belgian employee would probably be a fool to settle for the legal minimum of notice, according to an executive of Towers, Perrin, Forster and Crosby, one of the many consultancy firms operating in Brussels which now find much of their work in helping foreign companies to leave Belgium. What operates powerfully in favour of the employee is the impression of many employers transferred back to the U.S. by the courts tend to favour the employee against the employer. Certainly some recent awards

his transferral back to the U.S. of the problem might be over- come by shifting more of the burden of redundancy payments on to the Belgian taxpayer. But somewhat curiously, pushed less for equality of treatment in redundancy payments for their blue-collar workers than for provisions in the law which would force the reinstatement of workers in cases of unfair dismissal (as exist in the U.K. and elsewhere). At present the labour courts are not required to examine the "motivation" of employers when they dismiss employees. Negotiations on this have broken down because the FEB employers' organisation insists that if reinstatement provisions are made, there should also be a scaling-down of compensation awards. This, the unions refuse to accept. The Government is not unhappy with the present system, in which the employer bears the costs which might otherwise have to be borne by the State. Mr. Mark Eyskens, the Secretary of State for the budget and also for the regional economy of Flanders (home to most of the foreign investment in Belgium), commented recently that: "What they do in Detroit is totally inhumane, and we don't want that here." He suggested that part

# Why corporate celibacy may not raise profitability

BY CLIVE ADAMSON AND CLIFF PRATTEN

HERE has been much discussion recently on the subject of mergers and concentration. Professor Jewkes and Mr. Prais are debating in the Financial Times (October 31, November 1, 1977) whether the trend towards greater concentration is still continuing, and Mr. Callaghan (October 26) has hinted that in future there will be a general reversion to a more dispersed pattern of ownership. In this article, we wish to consider the reasoning behind Mr. Callaghan's statement and to show that his conclusion is by no means obvious and that it is, in fact, apparent that Mr. Callaghan drew on the recent work of Dr. G. Meeks, which greatly extended that of Dr. Ajit Singh and others in examining the effect of mergers on profitability, which they use as a proxy for efficiency. In Dr. Meeks' study, "Disappointing marriages—a study of the gains from merger," there is a reference to Robert Stevenson, "in marriage man becomes slack and selfish, and undergoes a fatty degeneration of his moral being." Dr. Meeks concludes that "mergers, going so often proved disappointing and divorce from mergers being disruptive itself, do not encourage some celling now." Dr. Meeks presents some remarkably strong evidence to support this conclusion. For example, he subdivided the group



with mergers, but rather occurred for the same reasons that profitability fell for the celibate companies. The largest companies are often excluded from Dr. Meeks' data since they are usually multiple acquirers. Thus, in some ways, Dr. Meeks' sample is self-selecting—those who have had bad experience of one merger do not try again and these are the only ones considered. What happens to the profitability of the largest companies, most of which made acquisitions? Table 2 shows there is an upward drift in this profitability relative to their industry averages. In our view, it is because Dr. Meeks does not investigate the trends of profitability over a period of time for the celibate companies and the largest companies that his results are inconclusive. He confuses the effects of mergers and profitability with the effects of other changes that were going on in the economy at the same time. For example, the largest com-

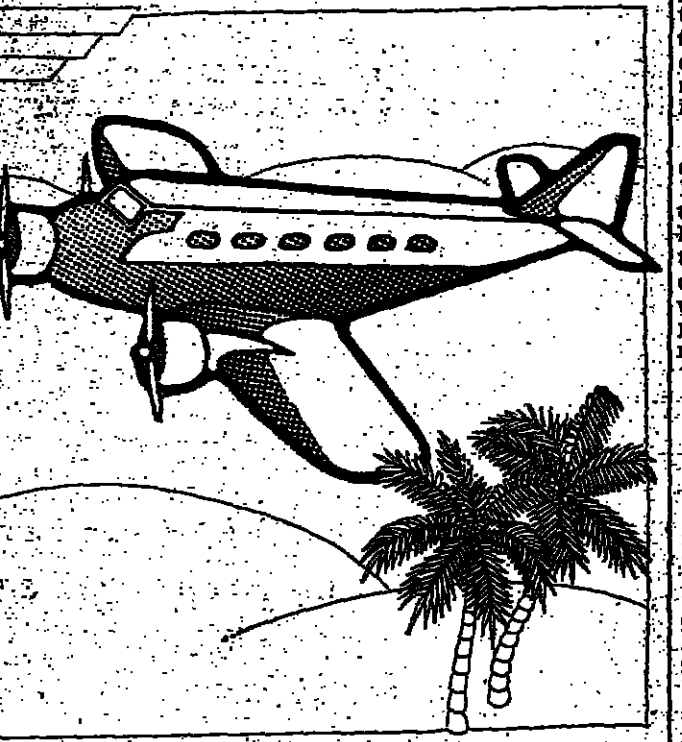
Profitability (pre-tax) of the largest companies		A test of celibacy	
Average profitability	Average profitability as % of industry average	The pre-tax profitability of companies which did not merge, make acquisitions or were not acquired between 1964 and 1973 relative to industry average.	Average profitability as % of industry average
1961 12.7	92.6	1961 18.6	137.1
1962 11.4	90.5	1962 16.9	140.8
1963 12.4	90.1	1963 17.8	139.2
1964 13.5	95.6	1964 19.3	143.8
1965 13.0	95.4	1965 17.9	130.6
1966 11.9	95.2	1966 16.2	126.5
1967 11.9	96.0	1967 16.1	131.0
1968 13.2	93.2	1968 18.1	131.2
1969 12.6	91.9	1969 17.0	127.7
1970 11.6	98.4	1970 14.8	112.5
1971 13.1	98.0	1971 15.8	114.4
1972 15.2	98.5	1972 18.9	112.4
1973 18.0	100.9	1973 20.3	107.9

## Business books

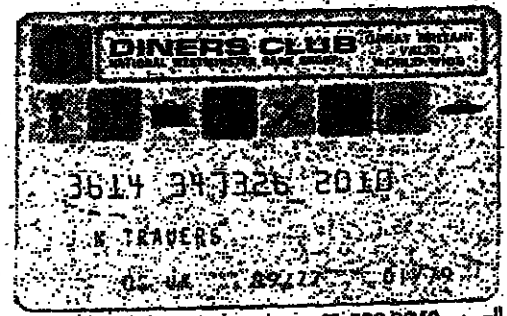
The Balance of Payments, by Colin Clark. Economic Resources of the Country, then there is a real prospect that by 1980 Britain's payments will be constantly in balance. The conclusion of this book is that if Government will balance its claim on the U.S. Customs, Tariffs and

Trade, by Eugene T. Rossides. The Personnel Managers, by Tony J. Watson. Routledge and Kegan Paul. Price: £5.95. This is a study of work into the numerous laws and regulations governing the movement of goods into the U.S. The Money Book, by Margaret Allen, Sidgwick and Jackson. Price: £8.50. This is a compendium of financial information, covering every aspect of finance from the simple forms of spending and saving to the more complicated uses of money in the investment field. Conditions of Sale—Retention of Title, by Dennis Roberts. The Institute of Chartered Secretaries and Administrators. Price: 65p. This booklet aims to cover an important aspect of sales contracts, which prevents the title on goods from passing to the buyer until payment has been made. How to Finance Your Company, by Cyril Aydon. Business Books. Price: £6.00. From many years' experience as a consultant on financial strategy, the author has produced a wide-ranging work of reference and a comprehensive guide to all ways of financing a company.

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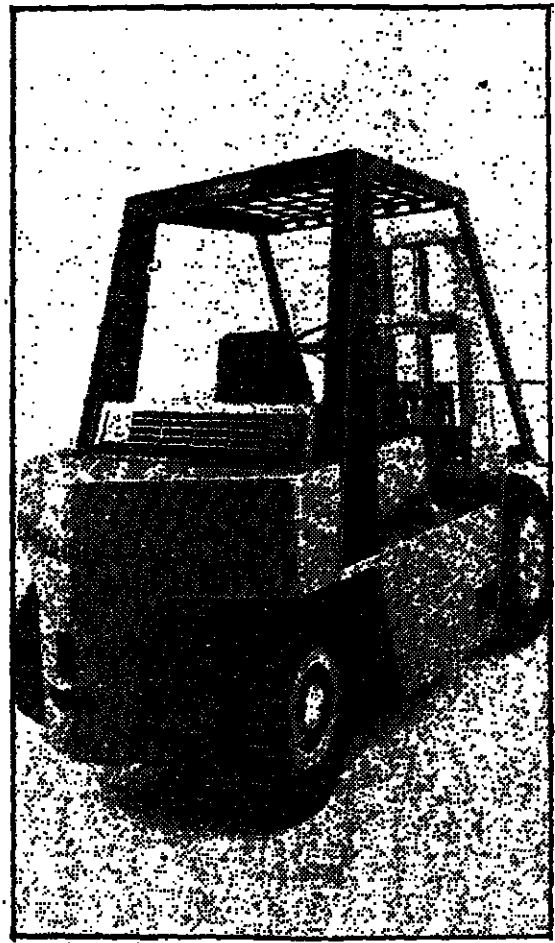
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# Tackling the steel crisis

THERE are two dimensions to the crisis in British Steel. First is the chaotic state of world steel markets, resulting from depressed demand, chronic over-capacity in the traditional steel-making countries and the growth of new producers in other parts of the world. Most of the major European steel companies are making losses, while the Americans, strenuously trying to keep imports out, have come near to setting off a trade war. The second is the well-known internal weakness of the Corporation itself. There are too many obsolete iron- and steel-making facilities which on commercial grounds should have been closed down a long time ago; at the same time inefficiencies in the use of manpower mean that British Steel is probably employing at least 40,000 more people than it needs.

On the international front there is not much prospect of relief in the near future. The protectionist campaign by the Americans will certainly reduce the scope for exports to the U.S., which has been a very important outlet for low-priced steel from Europe. (It is significant that in the six months ending in September the BSC's deliveries of finished steel in the U.K. fell by 600,000 tons, while exports rose by 400,000 tons.) It is not clear whether the U.S. steel companies will persist with the state of anti-dumping complaints which have recently been filed, or whether the Carter Administration will introduce a new system of reference prices in order to protect the local industry. In any event, the uncertain outlook has already caused foreign suppliers to slow down on shipments and to raise their prices closer to domestic levels.

**Rationalisation**  
 The steel industries of the world are being forced to adjust to market conditions through plant closures and rationalisation. In the U.S. redundancies on a considerable scale have taken place and two of the larger companies have announced plans to merge. In Sweden the three principal companies are to be brought together in a new grouping in which the Government will have a 50 per cent. interest. Several thousand jobs will be lost. In other countries—the U.K. is not unique in this—the part of governments to allow extensive redundancies in steel at a time of heavy unemployment, that the rate of expenditure in the second half of this year would have to be considerably higher than in the first, and the new estimates suggest that the first three quarters of the year, manufacturing investment has been almost 8 per cent. higher than in the same period of 1976, implying that a rise of only 2.3 per cent. is needed between the third and fourth quarters for the year's increase of seven per cent. to be achieved. It is worth pointing out, moreover, that the overall increase of six per cent. so far this year comprises an increase of 11 per cent. in private sector investment and a correspondingly smaller one in the public sector. This modest recovery, however, is no guarantee that the 12.7 per cent. growth in fixed investment planned for next year will in fact take place.

# Higher capital spending

THE provisional estimates of industrial investment in stocks and fixed capital equipment during the third quarter of this year seem to point in slightly different directions: the one both reflecting and aggravating the slow growth of the economy, the other showing itself more buoyant than the state of the economy might have led one to expect. The stocks of manufacturing industry had risen by some £180m. (at 1970 prices) in the second quarter. Since output was little better than flat and the rise was concentrated in stocks of finished goods, it seemed likely that the rise was involuntary and would be reversed as soon as possible. This is what happened to some extent at least in the third quarter, when stocks—mainly work in progress—fell by nearly £80m. The ratio of stocks to output accordingly fell from 108.1 to 107.3.

**Recovery**  
 The capital investment intentions of industry for 1977 have been revised heavily downwards since the Department of Industry made its first inquiry. Originally investment was expected to be 15.20 per cent. higher than in the previous year, but by the spring of this year the expected increase had been scaled drastically down to 6.10 per cent. Actual spending in the first half, in fact, was only 5 per cent. up on the first half of 1976. It was impossible to tell, at this stage, whether investment decisions for the year had been revised still further downwards or whether spending was being stretched out over a somewhat longer period than originally planned. The results of the latest official survey, which were published last month, gave some grounds for taking the more optimistic view: it suggested that investment would rise by 7 per cent. in 1977 as a whole and by another 12.17 per cent. in 1978. This implied, of employment.

# The Japanese find a winner in video recorders

BY MAX WILKINSON

HITACHI'S hotly disputed plan to open a television factory in County Durham is becoming something of a turning point in the commercial war between the West and the Far East. The company's ambitions in the U.K. have been voiced at a time when colour television factories in the U.S. are fighting for their lives against the invasion of Japanese imports and the products of Japanese subsidiaries in America.

The Japanese already have more than 40 per cent of the U.S. market, the world's largest, and it seems inevitable that the full thrust of their marketing effort will sooner or later be turned into Europe. The establishment of subsidiaries within the European Community will clearly play an important part in that operation as it did in the U.S.

But while the British Government is anxiously debating whether to allow Hitachi to use Durham as a beach-head into Europe, and while the Americans mount a rear-guard action against imports, the whole shape of the contest has started to change. Japanese manufacturers are preparing a new assault on the colour picture market from a completely different direction.

Early next year they will start a major sales drive in Europe for a new product which they believe will soon be intimately connected with colour television sales. It is the video cassette recorder. As a piece of domestic equipment it is still unfamiliar, rather expensive, and is not made at all in the U.K.

But most of the world's biggest television companies now believe it could quite soon challenge, or even displace, the colour set from being the most important item of leisure equipment. Moreover, the companies which gain the first ground in this new market will certainly be in a commanding position for selling colour sets.

Current video recorders can record up to two hours on one cassette either live from the air or, for those who can afford it, from a portable television camera. Most models have their own tuner so that they can record one programme while the family is watching another channel. Alternatively the recorder can be preset by an automatic timer to record a programme while the family is out. Eventually it will also be possible to buy or rent a wide range of pre-recorded tapes, for example of opera, old movies or instructional programmes.

Many companies now believe video recorders will soon transform people's ideas about what television can do and eventually become an integral part of most sets. Mr. Akio Morita, chairman of Sony, said: "Now 80 per cent of our radios and cassette recorders are sold as integrated units. Eventually, I believe 80 per cent of television sets will come complete with a recorder."

Every major Japanese television manufacturer will soon be marketing video recorders in Europe, opposed only by Philips of Holland and Grundig in Germany. Already 1 per cent of Japanese television owners have one and this is expected to reach 10 per cent in three years. Prices will probably start at around £400 to £500, but will drop steadily as the volume of production builds up. So far consumer sales in the U.K. have been negligible (about 40,000 altogether). However, the British market will be a prime target for the Japanese because the well developed rental chains offer great scope for placing a relatively expensive product.

Video recording is likely to have three main effects on the colour television market. Most important, it will lead to a re-definition of the market itself, just as cassette recorders changed the audio market. Manufacturers who think solely in terms of television are likely to find themselves squeezed into a corner. Secondly, sales of recorders are likely to suck colour television sales into their wake, thus giving the Japanese an even greater advantage than they already have. Third (and this is a longer term effect) when recorders become inte-

demand Japanese sets anyway, Ministers would prefer them to be made by Durham miners' wives than by the industrious ladies of Taiwan or Osaka. And then, who knows, Britain might in the longer term become a centre for the production of Japanese video recorders as well.

Thus the problem faced by the British Government is whether to anticipate the defeat of the domestic industry by allowing Hitachi in, or to join forces with the U.K. manufacturers' efforts to keep Japanese products at bay. There are naturally more complicated arguments as well, about the role of multinational investment, and the relative importance of protecting British labour or British know-how.

But the basic political decision will depend largely on the view taken of how successful the Far East will be in continuing to mop up the consumer electronics markets of the West.

It may seem premature to talk of Japanese domination of world markets at a time when penetration of finished colour sets into the U.K. is only 10 per cent, and considerably less in Europe as a whole. Although enormous strides have been made in the U.S., Japanese manufacturers still have less than half the market there for finished sets.

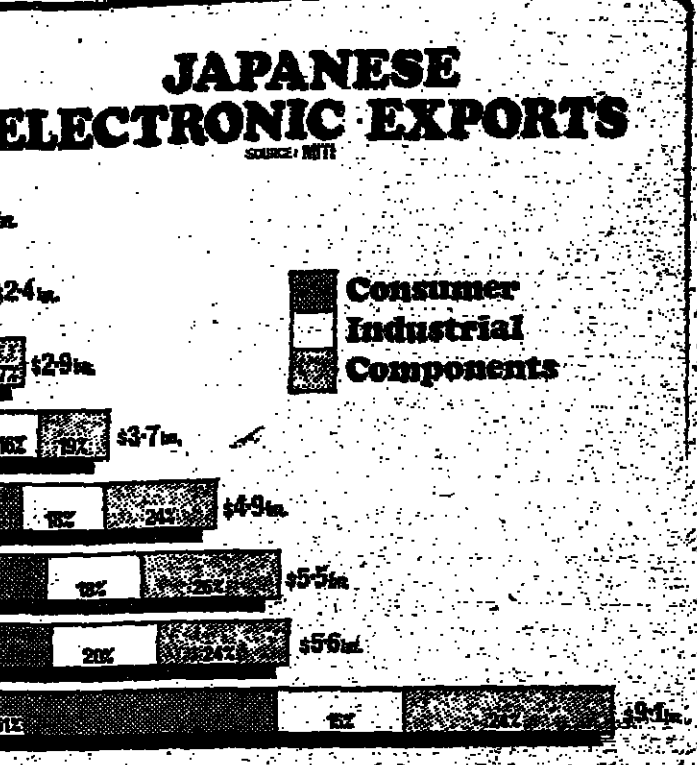
A rather different perspective emerges, however, if the numbers of finished Japanese sets are added to the sets which include a Japanese-made picture tube. On this criterion, British industry sources suggest that Japanese manufacturers now supply 60 per cent of world demand for colour television either as sets or tubes.

In the U.S., Japan's share of the total colour picture market soared from only 17 per cent. in 1970 to 42 per cent. last year. In the same period penetration of the U.K. market rose from 2.5 per cent. to 39 per cent. In West Germany from zero to 36 per cent. In France, which is protected by having a different colour system, it rose from zero to 16 per cent. last year.

In the U.S. and the U.K. the tide is being held back by voluntary agreements on import limitations, but the Japanese make it quite clear that they do not expect their exports to be restricted indefinitely.

Mr. Mao Ono, Head of the West European, African and Middle East division of the Ministry of Trade and Industry (MITI) in Tokyo said: "The Japanese export restriction to the U.K. is only a temporary measure. We hope that the respite is being used for the rehabilitation of the British economy so that with the help of oil resources, free-trade can soon be re-introduced."

At the moment most of Western Europe is also protected from Japanese imports by non-tariff barriers. The most important is the Telefunken



licence for the German PAL colour system which prevents the import of sets larger than 20 inches. When this expires in the 1980s, however, it is hard to see how any but the largest manufacturers can survive against the enormous volumes of production of Japanese companies.

The output of Hitachi in Japan, for example, is about 1m. colour sets a year, the equivalent of the whole of the French or two-thirds of the British markets. Total Japanese production is about 10.5m. sets a year. Against this the total world market is expected to be about 23m. sets this year as follows:

Japan	6m.
U.S.	8.5m.
Europe	7m.
Others	2m.

Within Europe, the major markets are France (1.1m.), U.K. (1.6m.), and Germany (2.3m.).

In a total world market worth some \$35bn. last year, Japanese exports were worth nearly \$1bn. and total Japanese production was \$2.5bn. The problem facing the large Japanese companies is that their own home market is now saturated. About 95 per cent of Japanese households have a colour television set, so that annual demand represents only replacements and the purchase of second sets. The U.S. is also approaching saturation.

That leaves only two possibilities: expansion into Europe or the development of new products. The Japanese are planning both. The U.K. has been selected by Sony and Matsushita (National Panasonic) for the site of factories which will each produce about 100,000 sets

# MEN AND MATTERS

## At war with the pirates

THE sea-pirates of 1977 are just as bloodthirsty, and as ruthlessly efficient, as those seventeenth-century terrorists of the Spanish Main. "It's a growth industry," a spokesman for Britain's merchant navy officers said with some bitterness yesterday about the attacks on shipping off Nigeria. He described how canoe-like pirates come alongside vessels at anchor, climb aboard, seize the bridge, smash the radio transmitters and murder anyone who tries to stand in their path. This week's attack on a Danish ship off Lagos, in which the captain was killed and thrown overboard, and all 14 crew members injured, could lead to the paralysing of world trade with Nigeria.

Last night the International Chamber of Shipping, representing the companies of 28 nations, put out a message from its London headquarters. Chairman Henry Beazley said that unless the Nigerian government could find ways to halt its pirates, there would be an "inevitable disruption" of trade. The International Transport Workers Federation has called for a complete boycott: it has told seamen to refuse to sign on for ships bound for its ports.

The Merchant Navy and Airline Officers' Association tells me that several recent attacks on British ships have gone unreported because of the delay in getting news back from Lagos. The latest was on a vessel called the *Billa*, six weeks ago. Another boarded by pirates was the *George Arnefield*; the pirates had army carbines and the men they wounded had to be treated by a doctor from a nearby Russian ship, because no help could be got from on shore after the radio had been repaired. The Foreign Office says Nigerian piracy grew during the notorious port congestion at Lagos

The plain in winter is not much more hospitable than Anatolia—and it is precisely to keep up morale wherever Nato operates that the member nations devised these special rations to ensure a hot meal and a few creature comforts in emergencies.

Yesterday the Italian army won hands down. Its idea of iron rations consists basically of a selection from the local supermarket—topped off with a bottle of vino and a little transparent sachet of grappa made in the army chemical department in Florence. Good stuff to fill one's lighter with, he deeply offended Private Chestnut of the U.S. Army when he described the tinned ham and eggs as "awful," and the frankfurters as "enough to make me a conscientious objector." But he did praise the meatballs and beans. The Belgian contingent's blanquette de veau was "unmilitarily neutral," while the German Army's impeccably khaki-clad plastic packets of farmhouse steak and steak pudding with pancake were dismissed as "plastic, wrapped up in plastic."

An ex-Hungarian Army artilleryman himself, Ronay reserved his praise for the British Army's own tuck of tinned steak-and-kidney, and chocolate pudding—with special praise for the baked beans.

## Brighton briefing

Next Tuesday, hundreds of pensioners from Brighton and its environs will arrive in coaches at the seaside resort's conference centre. There they will hear Bill Bell, a managing director of Shell U.K., explain what the company is doing in the North Sea and what its long term plans are. This rather unusual jaunt represents an experiment to get closer to the people who have invested in Britain's second largest industrial concern.

If you built a factory in Aycliffe, you could get back more than 60% of what it cost you from Government sources.

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Observer



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POLITICS TO-DAY

BY MALCOLM RUTHERFORD

# A well paid House of Europe

DOES not have to delve deeply into the subject of salaries to discover that the House of Commons is not the only well paid institution in the country. There are other institutions, of course, some of which are more well paid than the House of Commons. But the House of Commons is not the only well paid institution in the country. There are other institutions, of course, some of which are more well paid than the House of Commons.

But at least one senior Minister, who claims that he and some of his colleagues are finding it difficult to survive financially, says that it is pay that is going to cause the biggest row of all. Only the Liberals appear to be able to take high salaries in their stride.

It is a delicate subject. No-one wishes yet to raise it directly. Part of the politicians' embarrassment about it stems from fears that the public will always be against them. (The Foreign Office has the same fears when it comes to entitlement allowances or school fees.) And yet sometimes it is going to have to come up, and no-one can bring it up, or at least no-one can do anything about it, except the politicians themselves.

At present, there are two alternatives. One is to find ways of reducing the salaries of those who go to Europe in order to keep them broadly in line with Westminster. The other is to ensure that Ministers' salaries and allowances are at a decent level. The current tendency is to go for the former, and it is true that the latter would present problems. Obviously, it would be particularly difficult for the Government substantially to raise Ministers' salaries at a time when it is doing its best to keep down the firemen, and anyone else it can influence, to increase of 10 per cent. But the fact is that it is always a difficult time. The issue could be met now by setting up an all-party, or even an all-party, committee on MPs' and Ministers' salaries to report to the next Parliament, by which time the 10 per cent rule should be out of the way. That seems unlikely to happen. Instead there is to be a row

about the salaries and allowances of those going to Europe. The pay question alone is enough to make the direct elections debate an unhappy one, if only beneath the surface. But it turns out that there are other sources of discontent, and other fundamental questions yet to be considered. For a start, there is the business of the selection of candidates. The Labour Party so far has done very little about this for the simple reason that direct elections have not been party policy. Yet one suspects that when it finally gets round to it, it will be subject to the same sort of embarrassments as the Tories. That is, there will be a rush of candidates who have long ago given up on Westminster or, worse, who had never shown much interest in Westminster in the first place. There will be some who actually want to go to Europe to see the powers of the European Assembly increased. And there will be the same sort of need to reward or pension off the party stalwarts.

All this will be very much worse if the pay question is not resolved. There will also, however, be the very real problem, which people are only just beginning to think about, of how to keep the party in Westminster and the party in Europe in tandem.

## Levelling down

The French example may be extreme, but it serves to illustrate the general point. It is unlikely that Continental MPs, used to high salaries and generous allowances, would wish to award much less to those who go to the European Assembly merely for the sake of levelling down to British standards. It is therefore up to the British to level up or so one would have thought.

Actually, various other expedients are under discussion among the British parties. The Scottish National Party, for instance, is considering a resolution which would compel any of its members who go to Europe to surrender half of their salary to charity. Even the Tories ("we are all the party of Europe now") are talking about compulsory payments to the Consolidated Fund. The Parliamentary Labour Party has not yet much discussed the question of direct elections, except to oppose it.

As it is, the Tory selection procedure, led by Mr. Marcus Fox, the Member for Shipley, is rather well advanced, but has been giving rise to some resentment, perhaps because of the relative secrecy with which it is being conducted. Certainly some

## Primaries

Yet once again it is the Liberals who seem to take to Europe, as to the manor born. There has been no shortage of candidates and there is no reluctance at party headquarters to admit the criteria for selection: namely, the applicant must be on the candidates' list for Westminster, must be able to show a knowledge of and interest in Europe and a capacity to represent a region. It even appears that there is likely to be an American-style system of primaries for final selection, at least in the South East.

There is, however, a snag. Liberal preparations are based on the assumption that direct elections will take place on a basis of proportional representation. That is the regional list system recommended by the Government in the present Bill. Europe, yet of having less (in fact, it is a very mild form of PR, but for the Liberals it is a beginning). Yet although Germany and President Giscard the Government recommends France, for example. Together, vote on it at the Committee stage and the betting must be that it will go against. Parliament will then fall back on the system of "first-past-the-post."

## Secrecy

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### NATIONAL CONTINGENTS IN THE DIRECTLY ELECTED PARLIAMENT

Contingent	Seats
Germany	81
France	81
Italy	81
Netherlands	25
Belgium	24
Denmark	16
Ireland	15
Luxembourg	6

Legend: ENGLAND 66, SCOTLAND 6, WALES 4, NTHN, IRELAND 3

### THE EUROPEAN PARLIAMENT: PARTY GROUPS NOW

Party Group	Seats
Communists & Allies	17
Socialists	63
Christian Democrats	52
European Progressive Democrats	17
European Conservatives	17
Liberal & Democrat Group	27

Ind. 1, Ind. 2, Ind. 3, Ind. 4, Ind. 5, Ind. 6, Ind. 7, Ind. 8, Ind. 9, Ind. 10, Ind. 11, Ind. 12, Ind. 13, Ind. 14, Ind. 15, Ind. 16, Ind. 17, Ind. 18, Ind. 19, Ind. 20, Ind. 21, Ind. 22, Ind. 23, Ind. 24, Ind. 25, Ind. 26, Ind. 27, Ind. 28, Ind. 29, Ind. 30, Ind. 31, Ind. 32, Ind. 33, Ind. 34, Ind. 35, Ind. 36, Ind. 37, Ind. 38, Ind. 39, Ind. 40, Ind. 41, Ind. 42, Ind. 43, Ind. 44, Ind. 45, Ind. 46, Ind. 47, Ind. 48, Ind. 49, Ind. 50, Ind. 51, Ind. 52, Ind. 53, Ind. 54, Ind. 55, Ind. 56, Ind. 57, Ind. 58, Ind. 59, Ind. 60, Ind. 61, Ind. 62, Ind. 63, Ind. 64, Ind. 65, Ind. 66, Ind. 67, Ind. 68, Ind. 69, Ind. 70, Ind. 71, Ind. 72, Ind. 73, Ind. 74, Ind. 75, Ind. 76, Ind. 77, Ind. 78, Ind. 79, Ind. 80, Ind. 81, Ind. 82, Ind. 83, Ind. 84, Ind. 85, Ind. 86, Ind. 87, Ind. 88, Ind. 89, Ind. 90, Ind. 91, Ind. 92, Ind. 93, Ind. 94, Ind. 95, Ind. 96, Ind. 97, Ind. 98, Ind. 99, Ind. 100

## Exchange rates

Mr. Godley, who reads his OECD report next time he will see the overall levels of aggregate demand in world trade are weak. The prospects for expansion in Japan, it is well known, has been developed markets for raw materials, so that a rise in the price of raw materials leads to higher current account surpluses (already of the order of £100m) and further contractions in world trade and employment.

On every journey abroad which could be used for purchases at a retail store. Ridiculous though this suggestion appears it would be the carrying of tons of extra load on aircraft, the time of air staff selling the goods and the congestion of the very limited floor space by cartons of duty free goods on the aircraft.

The Government is committed to discourage the smoking of cigarettes, but encourages their bulk purchase by duty free concessions and now we are told that British Airways proposes selling duty free cameras and watches on board aircraft in command. It is this simple premise that must determine our use of energy in the next two decades.

non-aligned to raise by whatever means possible their frustration in the sincere hope that they will not propose the obvious and the Government will use the opportunity to create as many new centres of independent activity as possible and not be persecuted by the entrenched attitudes of the present establishment that big is beautiful! E. Stuart Wilson, Beach House, Crag Lane, Huby, Leeds, Yorks.

Since Britain joined the European Community, food prices have risen by more than 120 per cent. Less than 5 per cent of this can be attributed to the Common Agricultural Policy. The rest is due largely to worldwide inflation. Indeed, in the last month or two food prices have actually been falling.

Mr. Peter Shore, Environment Secretary, chairs first meeting of Housing Consultative Council, formed to provide public forum for debate on housing policies, at offices, Marsham Street, S.W.1. International Monetary Fund team continue discussions with EEC Agriculture Ministers and from banning players who have

### To-day's Events

Mr. Harold Lever, Chancellor, Duchy of Lancaster, opens first series of conferences on problems of small businesses in inner cities. Lambeth Town Hall, S.W.2. Dr. David Owen, Foreign Secretary, speaks at "Scotland in Europe" dinner, Caledonian Hotel, Edinburgh. Mr. Peter Shore, Environment Secretary, chairs first meeting of Housing Consultative Council, formed to provide public forum for debate on housing policies, at offices, Marsham Street, S.W.1. International Monetary Fund team continue discussions with EEC Agriculture Ministers and from banning players who have

signed with Mr. Kerry Packer from Test and county cricket. Corporation of City of London lunch in honour of Mr. Dietrich Stobbe, Mayor of West Berlin, Mansion House, E.C.4. Exhibition opens on Sir Thomas Moore—his Life and Work, National Portrait Gallery, St. Martin's Place, W.C.2 (until March 12).

High Court judgment expected in application by World Series Cricket seeking to prevent Test team continue discussions with International Cricket Conference Capital and Counties Property

Rediffusion (half-year). COMPANY MEETINGS: Burnside Investments, Edinburgh, 12. Charterhall Finance, 12. Chartered Accountants' Hall, Moorgate Place, E.C.4, 11.45. Ingall Industries, Birmingham, 12.30. Newman Tonks, Birmingham, 12.30. Wades Departmental Stores, Sheffield, 12. OPERA: English National Opera production of Il Trovatore, Coliseum Theatre, W.C.2, 7.30 p.m. BALLET: Royal Ballet dance Swan Lake, Covent Garden, W.C.2, 7.30 p.m.

more profound point arises. As world economies appear to be unable to overcome the deflationary effects of the OECD trade surplus it is about time more was heard about job-creating schemes in alternative energy plants and energy conservation.

What is more important than the predictable reaction of part of the ITV establishment is why the idea is being mooted in the first place. I believe the reasons are the following.

Like many senior and dedicated TV professionals within ITV (and the BBC) the two men in question are frustrated with the present lack of opportunity within television. They suspect that after all the words the unquestionably strong ITV company lobby will win the day, acquire the fourth channel, protect their advertising monopoly, and fail to fully use this valuable resource to revitalise a broadcasting system that has generally become so predictable and at times boring.

What is more important than the predictable reaction of part of the ITV establishment is why the idea is being mooted in the first place. I believe the reasons are the following.

Once it is understood that profit is not the difference between historic cost and selling price, but between selling price and replacement cost, then it may be realised that original cost is totally irrelevant. If an item costs £5 to sell at £8 results in a loss if the replacement is to cost £7. In practice, less materials or stock items can be bought to carry on the business, which eventually fails for sheer lack of anything to sell. Once prices start falling—then they will—then costing £2 can be sold for £8 if the replacement costs £5, and there is still a profit of £1.

LIFO may at last be taking over from FIFO, years too late, but next-in-first-out is the only realistic method which works both ways. Is it curious that the coffee came from Holland, home of Philips, which has practised a form of inflation accounting for many years?



energy Council needed. In Mr. N. Jenkins. Since David Fishlock's article (November 11) of the week on the composition of the Energy Commission made by Sir Hugh Ford of the Institute of Mechanical Engineers, I have been expecting comment on our columns. Sir Hugh Ford gave much more support for courage in saying what many have been muttering since years past.

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### Tax-free guide from Nationwide

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The Nationwide Building Society, Dept. MC, New Oxford House, High Holborn, London WC1V 6PW. Please send me details of the Nationwide Save-As-You-Earn Scheme.

Name \_\_\_\_\_ Address \_\_\_\_\_ Date \_\_\_\_\_ FTB

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## COMPANY NEWS + COMMENT

## House of Fraser up £4m. after 39 weeks

FURTHER PROGRESS is reported by House of Fraser, the department store group, in the 13 weeks ended October 29, 1977, with taxable profits showing an advance from £4.8m. to £6.4m. This takes the total for the first 39 weeks of the current year up to £12.1m.—an increase of £4.0m. on the comparable period of 1976-77.

Turnover in the 13 weeks rose from £109.2m. to £126.9m. raising the total for the 39 weeks to £3,599.4m., compared with £3,344m. in 1976-77. For the whole of 1977-78, a profit before tax of £27.0m. was achieved from sales of £463.0m.

After tax and Preference dividends the balance attributable to Ordinary holders emerges at £5.59m., compared with £3.94m. for the 39 weeks, giving earnings per £1 share up from 2.23p to 4.84p. An interim dividend up from 1.3125p to 1.68934p net has already been declared—the total for 1976-77 was £4.26735p.

Lord Duncan-Sandys, chairman, and Mr. R. W. Rowland, chief executive of Lorrain have accepted invitations to join the Fraser Board. Mr. Rowland becomes a non-executive deputy chairman.

**comment**  
House of Fraser pre-tax profits are up by 38 per cent. in the third quarter leaving the increase after nine months at 30 per cent. following a 97 per cent. gain at the halfway mark. Although growth appears to have slowed, the current results are compared with a very strong third quarter last year. The turnover increase after nine months is around 17 per cent. against 19 per cent. at six months, but this still leaves room for a useful volume increase.

Fraser at the top end of retailing and helped by the large influx of overseas shoppers over the past 18 months has been cushioned from the worst effects of the spending slump. The recent strengthening of sterling, however, and the air traffic controllers' dispute is thought to have affected overseas shoppers' trade in the third quarter. Meanwhile operating margins are continuing to improve at 3.5 per cent. after nine months compared with 2.8 per cent. last year.

With the bumper fourth quarter to come (taking in Christmas and the January sales) full year profits may be as high as £81m. at which the shares are on a p/e of 10.3 while the shares yield 5.5 per cent. at 129p. Meanwhile there is no sign that Lorrain will have a change of heart and make a full bid for the group.

**DARES ESTATES**  
Dares Estates has issued 630,000 shares in consideration of the acquisition of land at Dunham Rise and Alton. These shares have been issued to Shearer Estates (Residential) which is beneficially owned by Mr. P. D. Jackson.

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With turnover showing a 22 per cent. advance to £10.81m., profits in the six months ended September 30, 1977, moved up by 29 per cent. to £2.5m. The Burrow Mathieson printing group benefited from the activity in the Eurodollar market and the increase in the volume of City work. Also significantly improved results were achieved by Extel Statistical Services, while contributions from most other companies in the group were better.

For the second six months, Mr. Harvey expects profits to be higher than the £245,000 reported for the same period of 1976-77. He feels it is not possible to be more precise due to the continuing uncertainties about the national economy.

First half earnings per 25p share are stated to be up from 4.8p to 6.2p. The interim dividend is increased from 1.6125p to 1.803p net at a cost of £159,882 (£143,126)—a further amount of £16,756 is also declared on account of 1976-77 following the reduction in ACT.

**comment**  
But for the closure of a factory, which entailed some redundancy costs, profits from Exchange Telegraph's Bristol printing subsidiary, Burrow Mathieson would have shown a good uplift. As it was profits were down a shade to £214,000, on an increase in turnover of nearly a quarter to £424m. The firm has been greatly helped by activity in the Eurodollar market. Elsewhere the near doubling of the contribution from Extel Statistical Services (from £50,000 to £140,000) thanks to increased demand for cards) helped push profits from the sporting and financial news subsidiaries to £482,000 from £246,000. Other interests, which include "Radio" and "Television" subsidiaries, PR services, improved their profit contribution from £549,000 to £587,000. The group should now exceed £2m. for the full year, which puts the shares at 99p on a maximum prospective p/e of 8.7 (fully taxed), a rating which has allowed for much of the full year's results. The shares yield 8.6 per cent. (assuming a maximum payout).

**comment**  
Howard Tenens has built on its first quarter recovery figures and turned in profits just £154,000 below its previous best-ever half-way level in 1976. About three-quarters of profits came from storage and distribution, helped by the new Allegro contract (1,000 knock-down cars are being moved every week to Belgium for assembly to make space for Mini production), and volume growth at Autoprint (painting spare parts to avoid rust) and in the manufacture of packing cases for Vauxhall and Ford. The largest single engineering company in the group, at Willenhall, has reversed losses after a new incentive scheme helped raise output by 20 per cent. in the

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## Extel to pass £2m. barrier

WITH PROFITS of £1.8m. already under its belt for the first six months, Exchange Telegraph Company (Holdings), the specialist news agency, printing and telecommunications systems group, is all set to break through the £2m. barrier for the first time in the current year, according to Mr. John Harvey, chairman.

With turnover showing a 22 per cent. advance to £10.81m., profits in the six months ended September 30, 1977, moved up by 29 per cent. to £2.5m. The Burrow Mathieson printing group benefited from the activity in the Eurodollar market and the increase in the volume of City work. Also significantly improved results were achieved by Extel Statistical Services, while contributions from most other companies in the group were better.

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## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corps. tax	Total for year	Total last year
Akroyd & Smithers	2nd int. 0.1175	Feb. 3	—	—	15
Amalg. Inds.	Int. 0.66	Jan. 8	0.63	—	125
Anglo American Corp. Int.	0.12	Jan. 13	8	—	33
Thos. Borthwick	0.38	Feb. 3	3.5	0.2	3.24
Brockhouse	2.02	Feb. 16	1.54	3.82	1.99
Bromsgrove Casting	Int.	Feb. 23	0.3	—	0.59
Duple Indl.	0.59	Jan. 31	Nil	—	2.85
R. A. Dyson & Co. Int.	50.74	Jan. 12	0.49	—	4.35
Exchange Telegraph	Int.	Jan. 31	1.61	—	0.5
French Kier	Int.	Dec. 30	Nil	—	87.43
J. & W. Henderson	Int.	Feb. 3	2.88	—	0.98
Howard Tenens	Int.	Jan. 16	0.74	—	1.3
Leigh Interests	Int.	Jan. 6	1	—	4.88
Lilleshall	Int.	Dec. 16	1.63	—	3.41
Lyons Irish	Int.	Jan. 20	1	—	4.43
Pauls & Whites	Int.	Jan. 27	3.14	4.95	5.45
Proprietors Ray's Wharf	Int.	Jan. 31	2.5	—	5.12
Renold	Int.	Jan. 31	1.23	—	2.05
Robertson Foods	Int.	Jan. 18	—	1.3	16.72
Scottish Inv. Trust	Int.	Jan. 22	1.5	2.57	0.38
Selection Trust	Int.	Jan. 31	1.41	—	4.19
Stocklake	Int.	Jan. 10	0.69	1.39	1.16
Times Veneer	Int.	Jan. 20	1.46	—	4.39
Triplex Foundries	Int.	—	—	—	—
Wade Potteries	Int.	—	—	—	—
Wheeler's Restaurants Int.	1.83	—	—	—	—

## Overseas side pulls down Renold

TAXABLE PROFIT of power transmission and machinery maker Renold fell £841,000 to £3,041m. in the first half of 1977-78, on turnover ahead from £58.1m. to £60.3m.

Trading results in the U.K. for the half ended September 30, 1977, showed a decline from £2.13m. to £2.4m.

Directors say that while they envisaged some improvement in the second half, it was in the event less than expected, particularly outside and the U.K. and notably in Continental Europe.

It is now unlikely that the second half will be as active as originally forecast with the upturn in international capital investment proceeding more slowly than was expected six months ago.

Figures for the interim period do not reflect a £230,000 exchange deficit (£123m. surplus), and the overall £1.76m. gain for all of last year is also excluded.

Earnings per £1 share are stated at 7.7p, compared with 8.5p in the previous year. Dividend from 2.5p net to 2.6p, and an additional 0.0915p will be paid for the year to April







This advertisement appears as a matter of record only.

October 1977.



## Banco Nacional de Desarrollo Argentina

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The Bank of Tokyo, Ltd.

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The Bank of Nova Scotia International Limited  
Libra Bank Limited

Lloyds Bank International Limited  
Grindlays Bank Limited  
Security Pacific Bank

The Bank of Tokyo, Ltd.

The Bank of Yokohama Limited  
DG BANK-Deutsche Genossenschaftsbank  
Cayman Islands Branch  
Midland Bank Limited

Commerzbank Aktiengesellschaft  
The First National Bank of Chicago  
First Pennsylvania Bank N.A.  
United California Bank

American Security Bank, N.A.  
Associated Japanese Bank (International) Limited  
Banque de Vizcaya  
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The Mitsubishi Bank, Limited  
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The Royal Bank of Canada International Limited (Nassau)  
Standard Chartered Merchant Bank Limited  
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Banca del Gottardo  
Bank of Montreal International Limited  
Forfaitierung und Finanz AG  
LTCB Asia Limited  
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BANCO DE BILBAO

## French Kier at £2.75m. so far—sees record

REPORTING first-half 1977 pre-tax profits up from £235,000 to £275,000, Mr. J. C. Mott, the chairman of civil engineers, etc., French Kier Holdings, says that full-year profits after a full and bank write down should be not less than a record £53m.

The group is paying an interim dividend for the first time since 1973 of 0.75p and the final is expected to be similar to last year's 0.3p. Profits for 1976 came to £308m. after two years of losses.

	Six months 1977	Year 1976	Year 1975
Turnover	18,288	17,500	15,810
Profit before tax	2,750	235	3,876
Taxation	1,430	200	200
Net profit	1,320	45	1,676
Dividends	140	130	240
Retained	1,180	320	1,436
Ord. dividends	350	375	450
Balance	830	375	410

Mr. Mott says that due to the depressed state of the home construction market, turnover in the U.K. is at a reduced level compared with last year.

However, this shortfall has been replaced by an increase in overseas turnover. All of the group's construction, products and services companies have traded profitably. The development group has traded to near break-even before the charging of internal interest. External borrowings have been further reduced.

The £1.5m. drawn down from the Convertible Loan facility, made available to W. and C. French (Construction) by the Department of Transport was repaid in full in August together with an agreed premium of £133,000, representing compensation for loss of conversion rights. This premium is included in extraordinary items in the half-yearly figures.

To acquire access to land earlier granted planning consent, it will almost certainly be necessary to transfer some land currently held by the group into Local Authority ownership at below its current book value. The full amount of the write down cannot yet be precisely determined. To avoid distortion of the half-yearly results, a provision of £1m. has been made towards the expected write down in arriving at profit before tax.

### comment

With the best first half year behind it since the disastrous merger of W. and C. French and J. L. Kier in 1973 French Kier now looks set to make £5.5m. for the current financial year after land write down of around £1m. So at 28p the shares sell on five to a-half years fully taxed prospective earnings, a large discount to other building shares. The worrying feature of French Kier's figures is the downturn in U.K. man, says the group has had a turnover from around £57m. to

## GUS six months progress

SIR ISAAC WOLFSON, chairman of Great Universal Stores, told shareholders at yesterday's annual meeting that the provisional unaudited results for the first six months of the current year showed that sales and pre-tax profit had risen over the period.

This was after providing for an increase in the deferred profit provision on additional hire purchase and instalment receivables.

## Scottish Inv. Trust jumps to £4m.

Reflecting the merger with the Second Scottish Investment Trust, the Scottish Investment Trust more than doubled its turnover to £4.03m. in the year to October 31, 1977.

After tax of £1.63m. (£312,000) net profit came out at £2.4m. against £743,000, and earnings per share are stated at 2.67p against 2.3p.

A final dividend of 1.66p per share compared with 1.3p last year takes the total to 2.56p against 2.05p.

## First half advance by Wheeler's

Turnover for the half year to September 30, 1977, at Wheeler's Restaurants expanded from £2.1m. to £2.53m. and pre-tax profits advanced from £233,730 to £317,260.

Mr. Bernard Walsh, the chairman, says the group has had a turnover from around £57m. to

Financial Times Friday November 25 1977

## Hay's Wharf near £1m. increase

ON TURNOVER £6.9m. higher at £47.3m. taxable profit of The Hay's Wharf has increased from £1.9m. to £2.9m. in the year to September 30, 1977.

But extraordinary losses totaling £3.0m. (£201,000) take the result after minorities, dividends and extraordinary items to a £3.9m. transfer against reserves. Last year a £1.0m. surplus was transferred to reserves.

The extraordinary items consist of losses on the sale of assets offset by profits on the sale of associate companies totalling £3.1m., and premiums written off on shares in subsidiaries acquired during the year of £1.5m. The company has now adopted a policy of writing off goodwill in the year in which it arises.

Group trading profit was ahead from £2.1m. to £3.2m. but was reduced by a £347,000 (£103,000) loss attributable to assets and associate companies sold.

At half time pre-tax profit advanced from £31,000 to £123,000 and directors say this improvement continued through-out the second half.

Earnings per share are stated at 10.44p per £1 share compared with 7.06p. An abnormal tax credit of £728,000 has been eliminated in the calculation of last year's figure.

The final dividend is up from 2.13p to 3.52p net taking the total to £4.65p against 4.49p in 1976-77.

	1977	1976
Turnover	47,300	40,400
Trading profit	2,900	1,900
Profit before tax	2,900	1,900
Taxation	1,100	600
Net profit	1,800	1,300
Dividends	1,000	1,000
Retained	800	300
Ord. dividends	300	300
Balance	500	0

### BROMSGROVE CASTING SLUMPS

On turnover ahead from £297,053 to £1.5m. taxable profit of Bromsgrove Casting, a plant of Laurence Scott and Elec Machining slumped from £24,800 to £10,247 in the September 30 half year.

The interim dividend is 4p net per 25p share. For the previous period an interim of 2.9948p was followed by a second interim of 4.4494p.

At half time pre-tax profit advanced from £31,000 to £123,000 and directors say this improvement continued through-out the second half.

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### LAURENCE SCOTT

A £750,000 extension to the £1.5m. taxable profit of Laurence Scott and Elec Machining slumped from £24,800 to £10,247 in the September 30 half year.

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## First nine months' results

The Board of Directors of Imperial Chemical Industries Limited announce the following unaudited figures of the trading results of the Group for the first nine months of 1977 with comparative figures for 1976.

1976		1977	
First Nine Months	Year	First Nine Months	Year
£ millions	£ millions	£ millions	£ millions
2,993	4,135	2,993	4,135
SALES TO EXTERNAL CUS- TOMERS			
428	540	428	540
PROFIT BEFORE TAXATION AND GRANTS			
-144	-205	-144	-205
71	58	71	58
After providing for:			
-152	-214	-152	-214
PROFIT AFTER TAXATION AND GRANTS			
276	326	276	326
-31	-34	-31	-34
PROFIT AFTER TAXATION AND GRANTS APPLICABLE TO IMPERIAL CHEMICAL INDUSTRIES LIMITED			
245	245	245	245

Since 30 September 1977, the Company has sold its 63% interest in Imperial Metal Industries Ltd. The figures above include ICI's results for the first nine months of 1977 on the basis of its published results for the first six months of 1977 and an estimate for the third quarter. The sales proceeds will exceed the book value of ICI's investment in IML but be less than ICI's share of IML's net assets. The difference, estimated at £27m, will be charged as an extraordinary item in the accounts for the year.

Group sales in the first nine months of 1977 were £3560m, some 19% higher than in the first nine months of 1976. Sales in the UK increased from £1180m to £1424m (up 21%) and sales in overseas markets rose from £1813m to £2126m (up 17%). The FOB value of exports for the first nine months of 1977 was £721m (1976 £587m, up 21%). Group sales in the first nine months of 1977, compared with the corresponding period of 1976, were 7% higher in volume and, excluding the exchange movement on overseas net current assets, the profit margin on sales was unchanged.

Comparing the third quarter with the first half of the year, sales volume was depressed in the UK and overseas, particularly in Continental Western Europe, being in total 7% lower than in the second quarter. Moreover, increased costs now emerging in the UK are not being matched by increased prices, either for home sales or for exports.

The following table summarises the quarterly sales and profits before taxation:

	Group sales	Group profit before tax	Excluding exchange gain/loss	Exchange gain/loss	TOTAL
	£m	£m	£m	£m	£m
1976 1st Quarter	938	115	115	13	128
2nd Quarter	1024	126	126	25	151
3rd Quarter	1033	116	116	33	149
4th Quarter	1142	125	125	-13	112
YEAR	4135	482	482	58	540
1977 1st Quarter	1190	148	148	-7	141
2nd Quarter	1224	169	169	-1	168
3rd Quarter	1136	107	107	-2	105

If adjustments were made, on a Current Cost Accounting basis for additional depreciation and the depreciation cost of stock, as described in the 1976 Annual Report, profit before taxation for the first nine months of 1977 would be reduced by about £135m compared with £200m for the full year 1976.

The charge for taxation in the first nine months of 1977 consisted of £138m of UK corporation tax, £43m overseas tax and £12m tax on principal associated companies less a credit of £17m for UK Government grants.

Results for 1977

The trading results for the year 1977 will be announced on 23 February 1978.

## Brickhouse Dudley

### Stronger position at half year

As anticipated, there has been a small reduction in half-year profits. However, with an improved order book, I am expecting that the second half results will show an improvement on those now reported. If full time working can be maintained, this should be possible, subject to unforeseen circumstances, as stocks of manufactured products are considerably reduced, some government relation for the construction industry is promised and we have a strong export order book.

Michael Fitzhugh - Chairman

	Half year to	30.9.77	30.9.76
Sales	£'000	£'000	£'000
Profit before tax (unaudited)	10,033	8,882	8,882
Profit after tax (estimated)	803	832	832
Dividend - interim	385	389	389
Dividend - final	117	104	104
Deferred final	3	3	3
Dividend per share - interim	0.778p	0.868p	0.868p
Dividend per share - final	0.214p	0.214p	0.214p

Manufacturers and distributors of drainage products for the construction industry.

BRITISH TRUST







# Construction industry holds back growth of company trading profits

BY CHRISTINE MOIR

TRADING profits of the 435 industrial companies covered in the latest Financial Times survey were up an average 26.2 per cent. on the year before. This compares with a 26.7 per cent. rise by the companies reporting in September.

Returns from the contracting and construction industry, where 20 companies reported last month, again dragged down the average. Profits in this sector were 1.3 per cent. below the previous year.

This weak performance held back the capital goods sector to

second place in profit performance terms behind the consumer durables, which again took first position.

The capital goods sector, however, produced the top performer—machine tools. The five machine tool companies in the latest survey showed profit increases of 56 per cent., nudging second place at 56.1 per cent.

Motors and components, packaging and paper, and oils all produced profits more than half as high again as in the previous

year. All these, however, paled into insignificance against the performance from tea, up 162 per cent. and tin, up 76 per cent. Mining generally improved only 17 per cent. however, and commodities had only a 36 per cent. rise.

Apart from the property companies, only contracting declined. Elsewhere there was at least positive growth though office equipment and food manufacturing managed only just over 6 per cent. discount houses and merchant banks produced less than 9 per cent. and house-

hold goods and hire purchase improved about 12 per cent. In all cases, however, the performance was considerably better than the levels in September, when construction companies, for example, were down 7 per cent. and office equipment concerns 17.3 per cent. lower.

Average return on capital employed also rose in all sectors compared with a year ago. In the construction sector, for example, return compared with 16.1 per cent. last year. Consumer durables put on 3.7 points to 22.5 per cent. and house-

## TREND OF INDUSTRIAL PROFITS ANALYSIS OF 768 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 768 companies whose account year ended in the period between January 15, 1977, and April 14, 1977, which published their reports up to the end of October, 1977. (Figures in £000.)

INDUSTRY	No. of Cos.	Trading Profit	Profit before Int. & Tax	Pre-Tax Profit	Tax	Shareholder's Profit	Ord. Dividends	Cash Flow	Net Capital Employed	Net Return on Capital Employed	Net Current Assets
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
BUILDING MATERIALS	31	336,273 (+250,415)	343,294 (+250,415)	315,479 (+250,415)	98,463 (+250,415)	109,112 (+250,415)	74.3 (+250,415)	27,650 (+250,415)	153,639 (+250,415)	14.9 (+250,415)	437,456 (+250,415)
CONTRACTING & CONSTRUCTION	20	42,839 (+43,398)	33,705 (+43,398)	26,934 (+43,398)	13,260 (+43,398)	15,747 (+43,398)	26.1 (+43,398)	4,156 (+43,398)	25,892 (+43,398)	16.4 (+43,398)	54,715 (+43,398)
ELECTRICALS & ELECTRONICS, ETC.	10	449,692 (+341,752)	380,857 (+341,752)	341,547 (+341,752)	170,720 (+341,752)	166,507 (+341,752)	32.5 (+341,752)	35,681 (+341,752)	136,341 (+341,752)	13.5 (+341,752)	815,186 (+341,752)
ENGINEERING	62	245,508 (+193,111)	198,698 (+193,111)	177,659 (+193,111)	64,507 (+193,111)	61,333 (+193,111)	43.6 (+193,111)	28,829 (+193,111)	96,333 (+193,111)	19.9 (+193,111)	499,235 (+193,111)
MACHINE TOOLS	5	41,978 (+26,858)	32,722 (+26,858)	27,979 (+26,858)	13,069 (+26,858)	14,180 (+26,858)	164.5 (+26,858)	3,310 (+26,858)	17,048 (+26,858)	19.0 (+26,858)	95,174 (+26,858)
MISC. CAPITAL GOODS	16	50,255 (+37,604)	43,308 (+37,604)	36,177 (+37,604)	17,857 (+37,604)	18,758 (+37,604)	41.0 (+37,604)	4,714 (+37,604)	19,211 (+37,604)	16.4 (+37,604)	122,952 (+37,604)
TOTAL CAPITAL GOODS	114	1,164,145 (+892,938)	950,564 (+892,938)	827,755 (+892,938)	297,276 (+892,938)	295,037 (+892,938)	46.9 (+892,938)	102,522 (+892,938)	510,560 (+892,938)	17.9 (+892,938)	2,037,297 (+892,938)
ELECTRONICS RADIO & TV	14	351,574 (+271,086)	225,304 (+271,086)	203,967 (+271,086)	94,354 (+271,086)	104,414 (+271,086)	57.5 (+271,086)	16,306 (+271,086)	208,868 (+271,086)	25.6 (+271,086)	291,916 (+271,086)
HOUSEHOLD GOODS	16	35,240 (+32,347)	27,860 (+32,347)	23,027 (+32,347)	10,114 (+32,347)	12,695 (+32,347)	28.1 (+32,347)	3,746 (+32,347)	18,776 (+32,347)	14.5 (+32,347)	57,764 (+32,347)
MOTORS & COMPONENTS	10	63,821 (+43,822)	53,245 (+43,822)	44,580 (+43,822)	18,222 (+43,822)	24,537 (+43,822)	106.2 (+43,822)	7,714 (+43,822)	28,119 (+43,822)	21.1 (+43,822)	109,940 (+43,822)
MOVER DISTRIBUTORS	6	19,991 (+14,843)	11,797 (+14,843)	7,905 (+14,843)	3,557 (+14,843)	4,587 (+14,843)	105.2 (+14,843)	1,366 (+14,843)	8,772 (+14,843)	17.5 (+14,843)	26,756 (+14,843)
TOTAL CONSUMER DURABLES	46	472,426 (+361,898)	318,206 (+361,898)	279,487 (+361,898)	126,247 (+361,898)	146,733 (+361,898)	61.3 (+361,898)	21,152 (+361,898)	261,433 (+361,898)	22.8 (+361,898)	468,566 (+361,898)
BEVERAGES	6	77,056 (+58,855)	64,580 (+58,855)	52,036 (+58,855)	27,147 (+58,855)	24,336 (+58,855)	48.0 (+58,855)	9,008 (+58,855)	27,027 (+58,855)	12.1 (+58,855)	66,848 (+58,855)
DISTILLERIES & WINES	4	160,141 (+119,778)	150,250 (+119,778)	132,565 (+119,778)	69,519 (+119,778)	62,790 (+119,778)	41.8 (+119,778)	23,696 (+119,778)	48,007 (+119,778)	20.7 (+119,778)	665,038 (+119,778)
HOTELS & CATERING	4	11,892 (+9,203)	10,213 (+9,203)	9,122 (+9,203)	4,314 (+9,203)	4,730 (+9,203)	28.5 (+9,203)	2,249 (+9,203)	3,807 (+9,203)	13.6 (+9,203)	13,509 (+9,203)
LEISURE	6	26,809 (+19,482)	18,377 (+19,482)	15,261 (+19,482)	7,502 (+19,482)	7,754 (+19,482)	63.4 (+19,482)	3,152 (+19,482)	12,242 (+19,482)	21.7 (+19,482)	13,066 (+19,482)
FOOD MANUFACTURING	17	284,480 (+210,456)	189,617 (+210,456)	139,457 (+210,456)	60,477 (+210,456)	67,484 (+210,456)	42.7 (+210,456)	18,432 (+210,456)	99,206 (+210,456)	16.8 (+210,456)	183,058 (+210,456)
FOOD RETAILING	11	216,064 (+181,518)	163,229 (+181,518)	133,699 (+181,518)	61,589 (+181,518)	68,958 (+181,518)	41.6 (+181,518)	30,094 (+181,518)	95,225 (+181,518)	17.2 (+181,518)	280,336 (+181,518)
NEWSPAPERS AND PUBLISHERS	11	39,978 (+26,570)	27,005 (+26,570)	24,081 (+26,570)	11,149 (+26,570)	12,996 (+26,570)	79.3 (+26,570)	3,386 (+26,570)	16,814 (+26,570)	22.5 (+26,570)	35,336 (+26,570)
PACKAGING AND PAPER	10	92,916 (+61,789)	70,492 (+61,789)	59,902 (+61,789)	28,821 (+61,789)	26,997 (+61,789)	84.0 (+61,789)	8,881 (+61,789)	40,268 (+61,789)	19.0 (+61,789)	151,650 (+61,789)
STORIES	44	890,768 (+494,050)	500,904 (+494,050)	428,109 (+494,050)	228,141 (+494,050)	219,339 (+494,050)	24.1 (+494,050)	98,201 (+494,050)	195,509 (+494,050)	20.0 (+494,050)	581,508 (+494,050)
CLOTHING AND FOOTWEAR	26	36,792 (+27,993)	28,064 (+27,993)	22,145 (+27,993)	9,201 (+27,993)	10,357 (+27,993)	108.7 (+27,993)	3,984 (+27,993)	14,519 (+27,993)	18.1 (+27,993)	45,471 (+27,993)
TEXTILES	27	276,981 (+191,358)	189,412 (+191,358)	137,195 (+191,358)	55,635 (+191,358)	61,945 (+191,358)	114.3 (+191,358)	27,345 (+191,358)	146,372 (+191,358)	15.7 (+191,358)	402,689 (+191,358)
TOBACCO	3	120,981 (+64,470)	108,512 (+64,470)	75,471 (+64,470)	32,257 (+64,470)	29,056 (+64,470)	89.7 (+64,470)	3,549 (+64,470)	41,912 (+64,470)	29.7 (+64,470)	290,091 (+64,470)
TOYS AND GAMES	3	24,075 (+17,505)	18,491 (+17,505)	17,495 (+17,505)	9,173 (+17,505)	7,845 (+17,505)	45.0 (+17,505)	1,767 (+17,505)	9,785 (+17,505)	24.5 (+17,505)	44,787 (+17,505)
TOTAL CONSUMER NON-DURABLES	172	1,394,371 (+894,050)	1,028,156 (+894,050)	828,851 (+894,050)	393,336 (+894,050)	428,922 (+894,050)	45.0 (+894,050)	215,995 (+894,050)	750,048 (+894,050)	17.6 (+894,050)	2,097,947 (+894,050)
CHEMICALS	11	178,710 (+127,621)	155,167 (+127,621)	148,230 (+127,621)	63,256 (+127,621)	75,470 (+127,621)	50.8 (+127,621)	12,509 (+127,621)	84,449 (+127,621)	35.1 (+127,621)	246,725 (+127,621)
OFFICE EQUIPMENT	4	2,787 (+2,659)	1,339 (+2,659)	992 (+2,659)	241 (+2,659)	740 (+2,659)	65.4 (+2,659)	415 (+2,659)	1,469 (+2,659)	9.1 (+2,659)	2,787 (+2,659)
SHIPPING	4	20,166 (+10,166)	12,716 (+10,166)	7,132 (+10,166)	1 (+10,166)	1,684 (+10,166)	41.0 (+10,166)	1,271 (+10,166)	13,725 (+10,166)	6.5 (+10,166)	20,294 (+10,166)
MISC. INDUSTRIAL	54	826,525 (+583,361)	475,550 (+583,361)	375,832 (+583,361)	186,159 (+583,361)	186,159 (+583,361)	48.1 (+583,361)	63,653 (+583,361)	240,132 (+583,361)	15.8 (+583,361)	796,689 (+583,361)
TOTAL INDUSTRIALS	435	2,639,072 (+1,800,820)	1,847,677 (+1,800,820)	1,470,891 (+1,800,820)	688,996 (+1,800,820)	754,239 (+1,800,820)	44.5 (+1,800,820)	238,228 (+1,800,820)	1,061,894 (+1,800,820)	18.1 (+1,800,820)	3,180,087 (+1,800,820)
OIL	1	1,290 (+1,279)	1,501 (+1,279)	1,229 (+1,279)	228 (+1,279)	1,066 (+1,279)	187.3 (+1,279)	203 (+1,279)	1,092 (+1,279)	8.800 (+1,279)	2,295 (+1,279)
BANKS	2	166,008 (+133,785)	139,172 (+133,785)	137,709 (+133,785)	70,816 (+133,785)	60,518 (+133,785)	29.8 (+133,785)	15,130 (+133,785)	70,216 (+133,785)	32.8 (+133,785)	287,862 (+133,785)
DISCOUNT HOUSES	12	37,135 (+34,178)	27,135 (+34,178)	27,135 (+34,178)	12,716 (+34,178)	22,700 (+34,178)	5.7 (+34,178)	9,127 (+34,178)	4,672,325 (+34,178)	15.3 (+34,178)	446,832 (+34,178)
MERCHANT BANKING	2	3,241 (+2,897)	2,897 (+2,897)	1,852 (+2,897)	857 (+2,897)	857 (+2,897)	47.6 (+2,897)	461 (+2,897)	572 (+2,897)	15.7 (+2,897)	8,075 (+2,897)
INSURANCE	—	—	—	—	—	—	—	—	—	—	—
INSURANCE BROKERS	2	21,289 (+13,727)	19,240 (+13,727)	18,982 (+13,727)	8,739 (+13,727)	9,768 (+13,727)	66.2 (+13,727)	2,487 (+13,727)	8,303 (+13,727)	35.568 (+13,727)	17,342 (+13,727)
INVESTMENT TRUSTS	77	138,657 (+123,655)	137,996 (+123,655)	111,658 (+123,655)	44,105 (+123,655)	65,152 (+123,655)	16.4 (+123,655)	60,465 (+123,655)	4,928 (+123,655)	24,031 (+123,655)	32,474 (+123,655)
PROPERTY	35	173,011 (+191,025)	167,625 (+191,025)	142,618 (+191,025)	25,145 (+191,025)	16,424 (+191,025)	3.4 (+191,025)	16,118 (+191,025)	3,130 (+191,025)	2,435,425 (+191,025)	488,008 (+191,025)
MISC. FINANCIAL	2	751 (+690)	704 (+690)	625 (+690)	304 (+690)	304 (+690)	10.5 (+690)	221 (+690)	96 (+690)	5,914 (+690)	432 (+690)
TOTAL FINANCIAL	130	640,072 (+500,925)	447,717 (+500,925)	313,084 (+500,925)	149,766 (+500,925)	175,832 (+500,925)	17.7 (+500,925)	105,999 (+500,925)	87,555 (+500,925)	15,457,435 (+500,925)	1,639,543 (+500,925)
RUBBERS	—	—	—	—	—	—	—	—	—	—	—
TEA	2	7,848 (+7,848)	7,360 (+7,848)	6,891 (+7,848)	4,694 (+7,848)	1,845 (+7,848)	121.1 (+7,848)	455 (+7,848)	1,930 (+7,848)	20,021 (+7,848)	2,044 (+7,848)
TIN	4	9,412 (+9,412)	7,890 (+9,412)	7,253 (+9,412)	3,561 (+9,412)	3,400 (+9,412)	161.8 (+9,412)	1,271 (+9,412)	3,696 (+9,412)	27,089 (+9,412)	9,257 (+9,412)
MISCELLANEOUS	5	76,255 (+65,197)	69,775 (+65,197)	57,893 (+65,197)	27,098 (+65,197)	27,899 (+65,197)	13.1 (+65,197)	10,557 (+65,197)	30,403 (+65,197)	406,804 (+65,197)	66,289 (+65,197)
OVERSEAS TRADING	5	106,292 (+78,176)	92,275 (+78,176)	70,621 (+78,176)	33,100 (+78,176)	32,058 (+78,176)	83.0 (+78,176)	8,448 (+78,176)	55,162 (+78,176)	502,121 (+78,176)	586,463 (+78,176)
TOTAL COMMODITIES	12	199,807 (+146,718)	177,099 (+146,718)	142,658 (+146,718)	68,253 (+146,718)	65,286 (+146,718)	47.0 (+146,718)	23,084 (+146,718)	61,191 (+146,718)	956,134 (+146,718)	464,153 (+146,718)

### NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits plus interest and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act 1948.

Col. 2 gives profits before interest and taxation that is to say profits after all charges except loan and other interest, but before deducting taxation provisions and minority interests. In the case of banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax profits that is to say profits after all charges including depreciation and loan interest but before deducting taxation provisions and minority interests.

Col. 4 groups all corporate taxation liabilities including Demotion, Colonial and foreign liability and future tax provisions but excludes adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting:

- 1—Minority interests.
- 2—All other charges—such as directors' emoluments and Preference dividends and
- 3—Provisions for staff and employees pension funds where this is a standard annual charge against net revenue.

Col. 6 is the net profit of dividend-paying equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recommended method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding liabilities such as goodwill—plus current assets less current liabilities, except bank overdrafts.

Col. 9 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

Col. 10 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

Col. 11 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

Col. 12 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

## MINING NEWS

# North Sea buoyant for Selection Trust

WHILE cold economic winds continue to blow strongly over so much of the world's mining industry, London's Selection Trust international mining and industrial group continues to make good progress. Net profits for the six months to September 30 have risen further to £3.36m, or 18.1p per share, from £3.96m in the same period of last year and a total for the full financial year to March 31 last of £10.45m.

As already reported, the group is changing its financial year-end from March 31 to December 31. This means that the current period will run for only nine months. In the meantime, the group is paying an unchanged dividend of 5p the total for the 12 months to last March was 16.72p.

The major factor in the latest rise in earnings will have been the revised agreement with Holland's Heerema group regarding the leasing of the North Sea crane ship "Thor". As already announced, the new deal compresses into seven years the arrangements that were originally contemplated to last for ten years, thus giving Selection Trust a higher annual revenue from the deal of over £2m—in the shorter period.

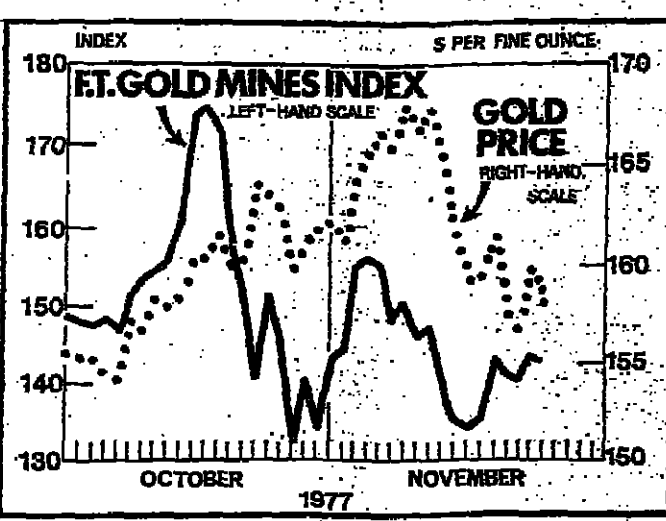
Also helping matters have been the improved results from U.K. trading activities and the participation in the K 13 gas operation in the Dutch sector of the North Sea. A modest fall in share-dealing profits has been cushioned by active dealing in the Gilt-edged market; this being responsible for realisations of £20m, which are reflected in the group's doubled turnover of £124.8m.

Selection Trust's earnings for the remaining three months of the year should benefit from a lower tax charge and, hopefully, from a better performance from the important interest in the big Mount Newman iron-ore operation in Western Australia which was hit by strikes in April, May and June.

Thus Selection Trust should pay a total dividend for the current nine months period of an amount increased by the maximum permitted under U.K. requirements. Looking further ahead to 1978, the end of that year should see the new United gold and Agnew nickel mines coming into the picture.

K 13 should also make its further contribution and income will flow from Kleemann Industrial Holdings if the current take-over bid for the latter is successful. But Western Australian labour relations being what they are, there is no knowing whether Mount Newman will fulfil its undoubted promise.

In all, Selection Trust can be



Wildly erratic movements in South African gold shares have occurred since the October 18 security clamp-down in the Republic and the outcry that has followed the death of the Black leader, Steve Biko. The bullion price has, for other reasons, suffered a setback after its previous strong recovery. Yesterday it appeared steadier at \$158.10 per ounce and chart followers believe that it remains















# The Property Market

BY JOHN BRENNAN

## The urban wasteland and the development land crisis

Publication this week of the Book of local authorities and Civic Trust's survey, "Urban Wasteland" adds fuel to planners' current passion for regeneration of the inner cities. But the survey, while underlining the scandalous wastage of land in our cities, shows even more acutely just how little we know about the scale of the problem. Government surveys of waste land look exclusively at the derelict and despoiled areas left by mine workings, covered with slag heaps or abandoned industrial debris. These surveys show 137,000 acres of land in England and Wales "so damaged by industrial or other development that it is incapable of beneficial use without treatment". The figures exclude what the Trust calls "dormant land": the relics of unsuccessful planning programmes or abandoned development schemes lying vacant or in temporary use.

In October last year the Department of the Environment admitted that it had no effective figures for the amount of idle land. And it argued that a survey of this land could only be provided at a "disproportionate cost".

Undeterred, the Trust has cobbed together what land statistics it could find, and has carried out its own national survey by polling local amenity groups. The result is a national estimate of at least 250,000 acres of dormant land, enough to use the Trust's colourful example—to house 3m. people.

Publication of the Trust's survey provided a backcloth to the Conservative Party's call this week for a "new Doomsday Tuesday". Mr. Edward Erdman

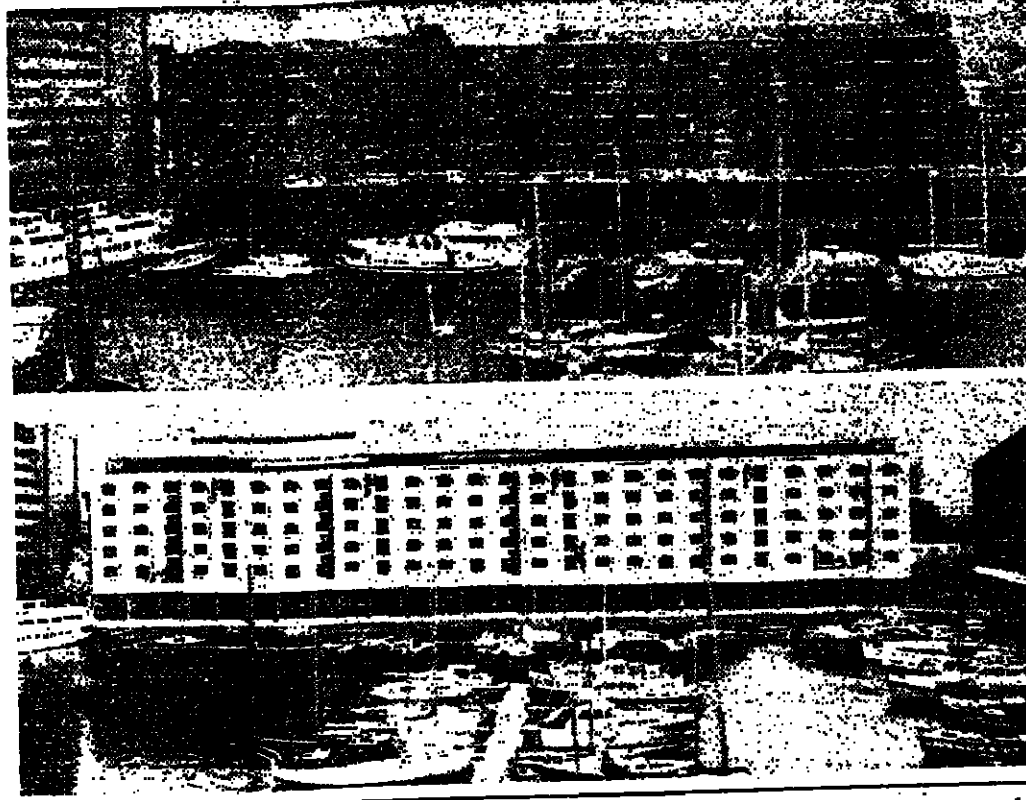
did not mince words in putting the property industry's view of the dormant land problem.

Damning the "additional bureaucracy, delay and frustration" caused by the Community Land Act, Mr. Erdman echoed Mr. Rossi's arguments with the point that local authorities "would be only too pleased to sell freehold land in order to utilise the cash for other more pressing purposes, but due to recent legislation they now feel under an obligation to retain it for posterity".

Authorities' unwillingness to release land—whether because of unrealistic ideas of worth, political commitment to community land ownership, or simple inertia—have made a nonsense of the "positive planning" aspects of an inadequately funded Community Land Act. As the Trust points out, by directing local authorities to concentrate their Land Act powers and slim budgets on uncomplicated schemes the Government has given no incentive to tackle the problem of complex inner city site assembly. Instead the directives are an invitation to green field expansion and further urban sprawl.

Now that institutional funds are again available for developments the entanglements of the Land Act and complexities of DLT have created the paradoxical situation where, on the one hand there is general agreement about the need to restore waste of unused land, while on the other the scarcity of development sites with straightforward planning consents is forcing land values to new highs.

Development interest is still concentrated on industrial property, spurred only by the occasional town centre shopping scheme. And as buying pressure



focuses on industrial sites. Jones Lang Wootton, in its latest industrial market review, confirms the effect of scarcity on prices. The agents report that a year ago even "clean" industrial sites rarely sold for £100,000 an acre. Now, ILW writes, they are selling for £200,000 per acre. Prices of over £200,000 per acre were rarely seen for prime industrial land during the boom of 1972. Have frequently been paid.

Rising industrial site costs may not, in themselves, be a true guide to the potential inflation in urban development land costs. But they foreshadow the general building land crisis that the latest quarterly poll of member firms by the Institution of Chartered Surveyors gave warning of last week.

Talk of an approaching land crisis in a week flooded with arguments about land waste is a depressing indictment of the

present planning laws. Mr. Erdman would abolish the Land Act, simplify DLT and apply a version of the near dictatorial planning powers of the New Town Corporations to cut the red tape strangling development of London's Docklands.

As the financial climate for development improves, pressure for changes along those lines must increase, or Mr. Silkin and Mr. Shore may find themselves named alongside Lord George-Brown as patrons of another artificial boom in property values.

### In Brief...

A plumb industrial pre-letting that has been hanging over the market for some time has been plucked by London Southern and ILW expect the twelve month lease to show lettings of industrial opportunities in the which intends to build, and around 2.7m. sq. ft., leaving the Capital. The GLC can broad immediately, a major facility year-end overhang of empty east the virtues of Docklands London.

Mr. square feet first stage of an office space at an estimated 150,000 square feet LSW scheme 3.5m. sq. ft.

at Cowley, Lebridge, in Middx. Detailed planning permission. Will Mr. Horace Cutler, leader of the Greater London Council, be dragged off to jail?

The question arises, albeit none of the following publicising its main U.K. computer testing too seriously. Work on the top of a GLC advertisement on and repair centre. Work on the top of a GLC advertisement on and repair centre.

It has been an unusually active year for Brussels' office market, and Jones Lang Wootton's branch in the City—forms part of GLC moves to which advised the Dutch group, bring jobs back to London.

Rue de la Loi office purchase—planners were still committed to times when. About 15 feasibility studies have been completed, three of which are said to be promoted, including one with a pub full year's take-up of office space, London, and it still specifically included in the which intends to build, and around 2.7m. sq. ft., leaving the Capital. The GLC can broad immediately, a major facility year-end overhang of empty east the virtues of Docklands London.

Financial Times Friday November 25 1977

Taylor Woodrow has finally won planning and listed building consent to start work on the 52m. centrepiece of the London World Trade Centre by Tower Bridge.

The Greater London Council and the Borough of Tower Hamlets have given permission to demolish the derelict warehouse overshadowing St. Katharine's Dockyard basin and to build a 350,000 square feet conference hall and office complex.

International House will link the existing Trade Centre building and the Tower Hotel, recently acquired by EMI. The block includes a 450-seat conference hall, exhibition facilities, and around 260 office suites. Most of the suites will be in 3,000 to 5,000 square feet units.

Taylor Woodrow, which is funding and carrying out the construction work itself, began work in St. Katharine's Dock eight years ago. And until now the £80m. redevelopment project has been plagued by constant planning wrangles.

The skateboarding craze will be sold this year—spilled over into the props and construction market with Arnold Kransdorf. A number of companies have been formed to construct specialised parks and already the demand from local authorities and private developers, looks encouraging.

Britain's only specially constructed skateboard park is in City at Southwark, which cost about £100,000 so far, occupies 2.7 acres with additional 20,000 square covered area. Negotiations are in hand to form a partnership with Bovis Civil Engineering to build parks throughout the country and Europe.

Skateboard Park, a Division of St. Fitz (managed by actor Dave Prowse, star of Wars and the Green Cross 3 reports that it has been dated by inquiries from authorities. The company's modular construction, costing from £20,000 to £50,000 for a complete 30,000 sq. ft. park.

Another recently formed company offering a constructive service is Skateopia, a joint venture between Morris Vulcan, principal of K.K. Manufacturing skateboards, and Weten Cooper, part of the Cooper Industries group. The company has been completed, three of which are said to be promoted, including one with a pub full year's take-up of office space, London, and it still specifically included in the which intends to build, and around 2.7m. sq. ft., leaving the Capital. The GLC can broad immediately, a major facility year-end overhang of empty east the virtues of Docklands London.

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### Mayfair and St. James's Office Property Survey

This week Drivers Jones are publishing their latest quarterly survey on the West End office market.

It provides details on availability and rental levels which will particularly interest those currently looking for or disposing of office space in the area.

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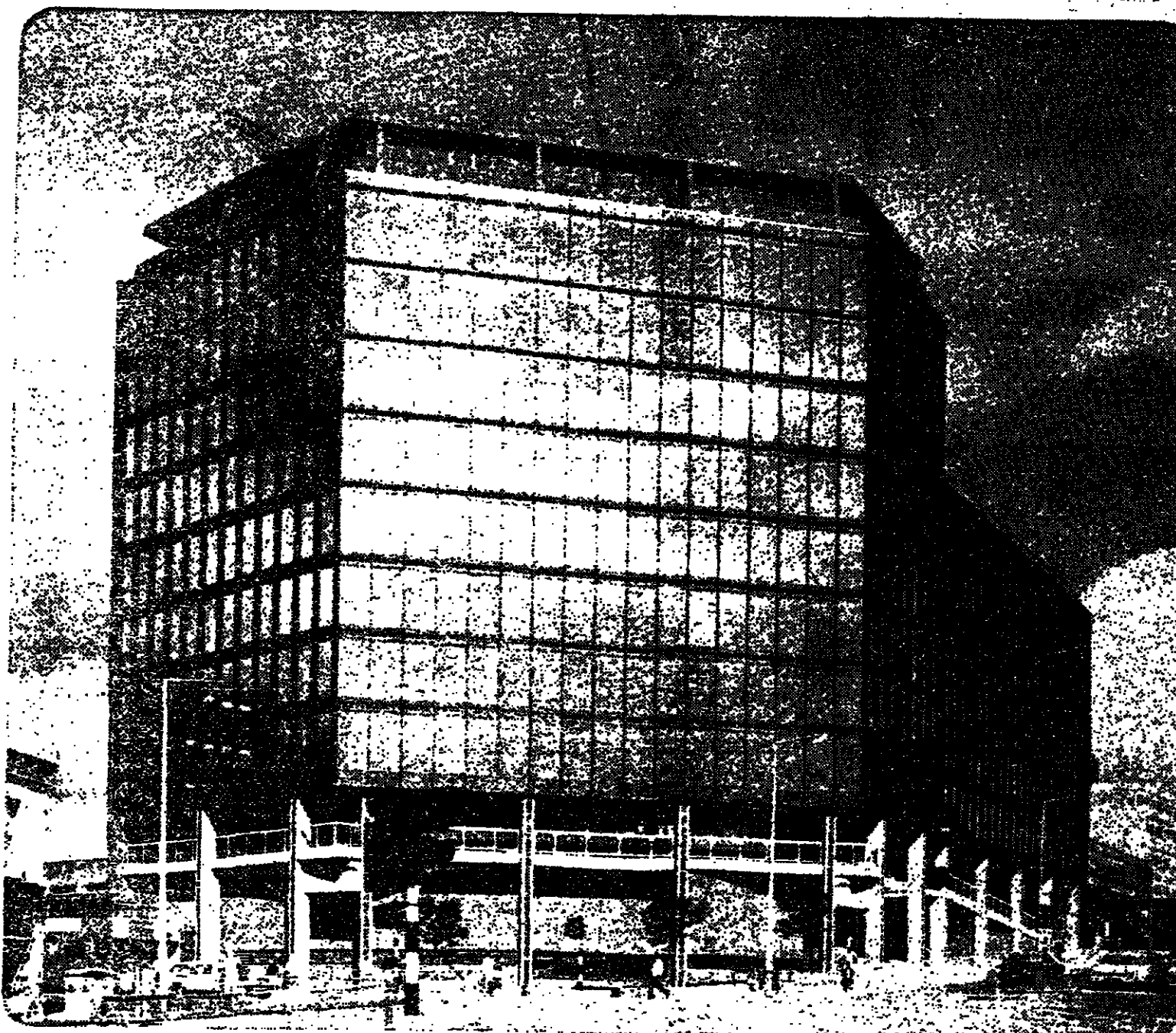
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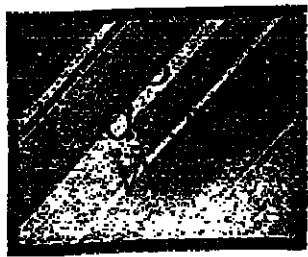
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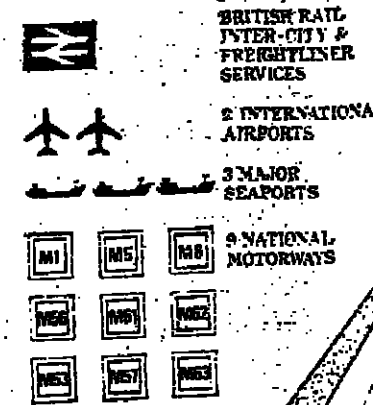
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Financial Times Friday November 25 1977

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West London area preferred  
**BRENDONS**  
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OFFICES in Central London with extensive warehouse use. See fresh under Factories and Warehouses.  
**BRIDGEMAN** 027587 2252 evening.  
EC4A S.R.C. office building 6,500 sq. ft. approx. 1,750 sq. ft. 16/10/00. Ref: 211500. 1st & 2nd Premium £20,000 or 10% of £30,000 p.a. 01-629 2711

**FOR INVESTMENT**  
SHOPS INVESTMENTS. We specialise in these and have 1 more available in the City. Price range £25,000 to £50,000. Details from Penfold & Co., 8 Old Street, Bath, 0225 26947/25177. T. 0225 26947.

**WANTED**  
COMMERCIAL INVESTMENTS sought in the Midlands £15,000 and £500,000. Details to Mr. G. E. Partners, 28, Epsom Road W.2. 01-723 3675.

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BIRMINGHAM-SMETHWICK	6000
GLASGOW	4500
LEEDS	9800
INCLUDING North Wales	4500
MANCHESTER	5200
NOTTINGHAM	5600
OXFORD	9600
PLYMOUTH	7500

Healey & Baker  
Established 1820 in London  
29 St. George Street, Hanover Square, London W1A 3BG 01-629 9292

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Modernised Office Accommodation  
To Let  
1,600 sq. ft.  
Single Floor Units

**Weatherall Green & Smith**  
22 Chancery Lane London WC2A 1LT 01-405 6944  
AND LEADS PARTNERS & FRANKFURT

## HIGH ROAD WEMBLEY

Prestige New Offices To Let in Suites From  
APPROX. 3,380 to 8,800 SQ. FT.  
Immediate Occupation  
apply sole agents  
**PEPPER ANGLISS & YARWOOD**  
6 Gains Place London WY 6LL Telephone 01-499 6056



## OVERSEAS MARKETS

## Widespread gains recorded in Canada &amp; \$ weaker

TORONTO, Nov. 24

BY OUR CANADIAN CORRESPONDENT

A BROAD advance took place on the Toronto Stock Exchange today. The Toronto Composite Index rose 6.1 more to 1009.1. Foreign shares were generally moved ahead 6.1 more to 1009.1. The volume of trading was 2.3 million shares against 1.2 million yesterday. Oil and Gas rose 1.5 to 129.5 on index, while Financial Services added 1.1 to 91.7. Metals and Minerals shed 2.7 to 81.2. The Montreal Exchange, Banks gained 2.10 to 225.31 and Utilities 1.28 to 165.17.

The Supreme Court ruling against Saskatchewan's surcharges on oil production and taxes on oil production and taxes on oil production, Husky Oil, which has major interests in the province, added \$1 to \$261. The Financial Services sub-group strengthened in response to higher profits from Canadian Imperial Bank, \$1 higher at \$221, and Toronto Dominion, up \$1 at \$171.

IAC gained \$1 to \$173, and Northern Telecom \$1 to \$292, both reflecting dividend increases.

PARIS—Market displayed an easier bias in thin trading, the disturbed Foreign Exchange market affecting sentiment. Air Liquide declined Frs. 8.5 to Frs. 263. Michelin "R" Frs. 52 to Frs. 1261, and Maunifex Frs. 102

fall, while Zurich Insurance gained Frs. 50 to Frs. 1100, but Sandoz receded Frs. 10 to Frs. 100. Domestic Bonds were very steady, while Foreign Bonds were irregular in quiet dealings. Dollar stocks were changed in line with the holiday closure of the U.S. market. Germans were mixed.

MILAN—Moderately firmer but in relatively thin and uncertain trading. Borsini gained L7 to L460, as did Sella Viscosa to L515, while Pirelli added L11 to L2161 and Anic L2.73 to L150.

In weaker vein, however, were Montedison, L8 lower at L137, and Pirelli SpA, L8 down at L1,050. Treasury Bills met lively interest.

SPAIN—The recent weakening trend persisted with Dragados falling 10 points to 224 and Banco Granada 6 to 179. However, Petroleros advanced 6.50 to 155 and Expansivos Rio Tinto also resisted the downward, adding 3.25 at 106.50.

JOHANNESBURG—Gold shares were easier for choice in quiet trading, reflecting disappointment over the Bullion price.

Coppers were around 10 cents down, while Financials and Minerals were generally unchanged. Tins were quiet, although Union Tin gained 5 cents to R100.

Among regular Industrials, AECI declined 5 cents to R210.

Notes: Overseas prices shown below unless otherwise stated.

Prices are shown in U.S. dollars unless otherwise stated.

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## OTHER MARKETS

## Germany lower

Stocks on the German Bourse mainly pointed lower as Foreign Exchange market uncertainty persisted and investors held back. However, Bayer gained DM1.30 to DM138.50 despite announcing lower world profits for the first nine months.

Foreign Loans were weaker. BRUSSELS—Local shares retreated in slow trading.

Arbed fell Frs. 50 to Frs. 320. Montepari Frs. 30 to Frs. 1370 and Sofina Frs. 20 to Frs. 2060.

Solvay, however, managed an improvement of Frs. 10 to Frs. 2710.

U.K. issues were unchanged. Motor-Columbus continued its technical recovery after the

fall, while Zurich Insurance gained Frs. 50 to Frs. 1100, but Sandoz receded Frs. 10 to Frs. 100.

Domestic Bonds were very steady, while Foreign Bonds were irregular in quiet dealings.

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## NEW YORK

## DOW JONES

Nov. 24, 1977. High, Low, Close, Change.

Industrial 100.10, 100.50, 100.40, +0.40.

Transport 100.10, 100.50, 100.40, +0.40.

Utilities 100.10, 100.50, 100.40, +0.40.

Foreign 100.10, 100.50, 100.40, +0.40.

Commodity 100.10, 100.50, 100.40, +0.40.

Gold 100.10, 100.50, 100.40, +0.40.

Oil 100.10, 100.50, 100.40, +0.40.

Gas 100.10, 100.50, 100.40, +0.40.

Electric 100.10, 100.50, 100.40, +0.40.

Chemical 100.10, 100.50, 100.40, +0.40.

Pharmaceutical 100.10, 100.50, 100.40, +0.40.

Food 100.10, 100.50, 100.40, +0.40.

Textile 100.10, 100.50, 100.40, +0.40.

Apparel 100.10, 100.50, 100.40, +0.40.

Shoe 100.10, 100.50, 100.40, +0.40.

Leather 100.10, 100.50, 100.40, +0.40.

Paper 100.10, 100.50, 100.40, +0.40.

Printing 100.10, 100.50, 100.40, +0.40.

Book 100.10, 100.50, 100.40, +0.40.

Music 100.10, 100.50, 100.40, +0.40.

Art 100.10, 100.50, 100.40, +0.40.

Sports 100.10, 100.50, 100.40, +0.40.

Entertainment 100.10, 100.50, 100.40, +0.40.

Media 100.10, 100.50, 100.40, +0.40.

Advertising 100.10, 100.50, 100.40, +0.40.

Public Relations 100.10, 100.50, 100.40, +0.40.

Consulting 100.10, 100.50, 100.40, +0.40.

Research 100.10, 100.50, 100.40, +0.40.

Development 100.10, 100.50, 100.40, +0.40.

Testing 100.10, 100.50, 100.40, +0.40.

Validation 100.10, 100.50, 100.40, +0.40.

Deployment 100.10, 100.50, 100.40, +0.40.

Operations 100.10, 100.50, 100.40, +0.40.

## LONDON

## FTSE 100

Nov. 24, 1977. High, Low, Close, Change.

Industrial 100.10, 100.50, 100.40, +0.40.

Transport 100.10, 100.50, 100.40, +0.40.

Utilities 100.10, 100.50, 100.40, +0.40.

Foreign 100.10, 100.50, 100.40, +0.40.

Commodity 100.10, 100.50, 100.40, +0.40.

Gold 100.10, 100.50, 100.40, +0.40.

Oil 100.10, 100.50, 100.40, +0.40.

Gas 100.10, 100.50, 100.40, +0.40.

Electric 100.10, 100.50, 100.40, +0.40.

Chemical 100.10, 100.50, 100.40, +0.40.

Pharmaceutical 100.10, 100.50, 100.40, +0.40.

Food 100.10, 100.50, 100.40, +0.40.

Textile 100.10, 100.50, 100.40, +0.40.

Apparel 100.10, 100.50, 100.40, +0.40.

Shoe 100.10, 100.50, 100.40, +0.40.

Leather 100.10, 100.50, 100.40, +0.40.

Paper 100.10, 100.50, 100.40, +0.40.

Printing 100.10, 100.50, 100.40, +0.40.

Book 100.10, 100.50, 100.40, +0.40.

Music 100.10, 100.50, 100.40, +0.40.

Art 100.10, 100.50, 100.40, +0.40.

Sports 100.10, 100.50, 100.40, +0.40.

Entertainment 100.10, 100.50, 100.40, +0.40.

Media 100.10, 100.50, 100.40, +0.40.

Advertising 100.10, 100.50, 100.40, +0.40.

Public Relations 100.10, 100.50, 100.40, +0.40.

Consulting 100.10, 100.50, 100.40, +0.40.

Research 100.10, 100.50, 100.40, +0.40.

Development 100.10, 100.50, 100.40, +0.40.

Testing 100.10, 100.50, 100.40, +0.40.

Validation 100.10, 100.50, 100.40, +0.40.

Deployment 100.10, 100.50, 100.40, +0.40.

Operations 100.10, 100.50, 100.40, +0.40.

## PARIS

## CAC 40

Nov. 24, 1977. High, Low, Close, Change.

Industrial 100.10, 100.50, 100.40, +0.40.

Transport 100.10, 100.50, 100.40, +0.40.

Utilities 100.10, 100.50, 100.40, +0.40.

Foreign 100.10, 100.50, 100.40, +0.40.

Commodity 100.10, 100.50, 100.40, +0.40.

Gold 100.10, 100.50, 100.40, +0.40.

Oil 100.10, 100.50, 100.40, +0.40.

Gas 100.10, 100.50, 100.40, +0.40.

Electric 100.10, 100.50, 100.40, +0.40.

Chemical 100.10, 100.50, 100.40, +0.40.

Pharmaceutical 100.10, 100.50, 100.40, +0.40.

Food 100.10, 100.50, 100.40, +0.40.

Textile 100.10, 100.50, 100.40, +0.40.

Apparel 100.10, 100.50, 100.40, +0.40.

Shoe 100.10, 100.50, 100.40, +0.40.

Leather 100.10, 100.50, 100.40, +0.40.

Paper 100.10, 100.50, 100.40, +0.40.

Printing 100.10, 100.50, 100.40, +0.40.

Book 100.10, 100.50, 100.40, +0.40.

Music 100.10, 100.50, 100.40, +0.40.

Art 100.10, 100.50, 100.40, +0.40.

Sports 100.10, 100.50, 100.40, +0.40.

Entertainment 100.10, 100.50, 100.40, +0.40.

Media 100.10, 100.50, 100.40, +0.40.

Advertising 100.10, 100.50, 100.40, +0.40.

Public Relations 100.10, 100.50, 100.40, +0.40.

Consulting 100.10, 100.50, 100.40, +0.40.

Research 100.10, 100.50, 100.40, +0.40.

Development 100.10, 100.50, 100.40, +0.40.

Testing 100.10, 100.50, 100.40, +0.40.

Validation 100.10, 100.50, 100.40, +0.40.

Deployment 100.10, 100.50, 100.40, +0.40.

Operations 100.10, 100.50, 100.40, +0.40.

## BRUSSELS

## BEL 20

Nov. 24, 1977. High, Low, Close, Change.

Industrial 100.10, 100.50, 100.40, +0.40.

Transport 100.10, 100.50, 100.40, +0.40.

Utilities 100.10, 100.50, 100.40, +0.40.

Foreign 100.10, 100.50, 100.40, +0.40.

Commodity 100.10, 100.50, 100.40, +0.4



Friday November 25 1977

# COMMODITIES AND RAW MATERIALS

## Coconut hits month

Commodities Staff

COCONUT SUPPLIES are being pushed by the London market yesterday. The coconut price fell to 100 pence at one stage, but recovered to 105 pence by the end of the day. The price was down from 110 pence in early January. The price was down from 110 pence in early January. The price was down from 110 pence in early January.

## iders buy

Commodities Staff

MAINTAINERS are buying coconut palm oil. The price was down from 110 pence in early January. The price was down from 110 pence in early January. The price was down from 110 pence in early January.

## crop

Commodities Staff

WEST GERMAN SUGAR is being pushed by the London market yesterday. The price was down from 110 pence in early January. The price was down from 110 pence in early January. The price was down from 110 pence in early January.

# Commission plans to raise farm prices by 2%

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE EUROPEAN Commission is considering proposals which would raise British farm prices by a little over 2 per cent. It is part of its recommendations for next year's EEC farm price review and would mean an increase in farm prices of about 2 per cent a year. Mr. P. G. Gendel, the Commission's director of agriculture, said the Commission is considering proposals for a 2 per cent increase in farm prices. The Commission is considering proposals for a 2 per cent increase in farm prices. The Commission is considering proposals for a 2 per cent increase in farm prices.

# New deal for EEC fishermen

BRUSSELS, Nov. 24

THE BRUSSELS Commission has drawn up a list of actions, including access to new fisheries and financial assistance for compensating Community fishermen who have suffered by being excluded from the 200-mile zone. The Commission is considering proposals for a 2 per cent increase in farm prices. The Commission is considering proposals for a 2 per cent increase in farm prices. The Commission is considering proposals for a 2 per cent increase in farm prices.

# New Zealand lamb supplies assured

FINANCIAL TIMES REPORTER

NEW ZEALAND is confident of sending lamb to Britain for many years to come despite threats to the trade caused by Britain's membership of the Common Market. The New Zealand Agriculture Minister said in London yesterday. The New Zealand Agriculture Minister said in London yesterday. The New Zealand Agriculture Minister said in London yesterday.

# Call to bar Indian tea sales in U.K.

NEW DELHI, Nov. 24

THE INDIAN Government was today urged to ban sales of Indian tea at the weekly London auction — one of the world's major markets. The call came from the powerful Public Accounts Committee, which said India was losing valuable foreign exchange and suggested that Indian crops should be sold only inside India, reports Reuters.

# Ferrochrome import tax

WASHINGTON, Nov. 24

THE INTERNATIONAL trade commission will ask President Carter to increase duties on U.S. imports of high-carbon ferrochrome. The commission is considering proposals for a 2 per cent increase in farm prices. The commission is considering proposals for a 2 per cent increase in farm prices. The commission is considering proposals for a 2 per cent increase in farm prices.

# World silver stocks rise

WASHINGTON, Nov. 24

WORLD stocks of refined silver rose 3.1m ozs. last month following a 2.3m ozs. increase the previous month, the Silver Institute said. The Silver Institute said in London yesterday. The Silver Institute said in London yesterday. The Silver Institute said in London yesterday.

# THE 10-TONNE CLUB No short cuts for would-be members

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE LATEST competitive craze to hit farming has been the 10-tonne Club. Members are those who have achieved a wheat yield of 10 tonnes a hectare, or 4 tonnes an acre. The average yield in 1976 was 2.5 tonnes an acre, according to Ministry figures, 4.9 tonnes. The target is, however, attainable. Already this year there have been reports of old fields of parts of fields achieving this result, with runners up in the 7 to 8 tonnes area. Which in view of the difficult harvest in the South and East has been a commendable result. But the average figure is so much lower that it will probably be a long time before national yields are raised significantly. This year's average yield represents about double that of the immediate pre-war period, which indicates that there can be few short cuts.

# Heavy stocks worry pulp trade

BY OUR OWN CORRESPONDENT

FREE world stocks of softwood pulp are over 2m tonnes against a normal level of 500,000 tonnes, says Mr. Harry Rosier, president of the Abitibi Paper World Council. Mr. Rosier estimates the price discount ruling since July of about \$20 a ton would mean a yearly reduction of about \$20m in revenues for an average-sized Canadian pulp mill. Several pulp mills in the East have announced production cuts for a week or more. Impending pay negotiations also complicate the picture. Consolidated-Bathurst, another major company in the east, estimates the total world stock of all types of pulp are around 3m tonnes against a normal level of between 700,000 and 800,000 tonnes. "It's going to take a very long time to work that down," a spokesman said.

# COMMODITY MARKET REPORTS AND PRICES

Commodity	Unit	Price
High Grade L	100 lbs	70.75-71.00
High Grade M	100 lbs	69.75-70.00
High Grade S	100 lbs	68.75-69.00
High Grade T	100 lbs	67.75-68.00
High Grade U	100 lbs	66.75-67.00
High Grade V	100 lbs	65.75-66.00
High Grade W	100 lbs	64.75-65.00
High Grade X	100 lbs	63.75-64.00
High Grade Y	100 lbs	62.75-63.00
High Grade Z	100 lbs	61.75-62.00

# PRICE CHANGES

Commodity	Unit	Price
High Grade L	100 lbs	70.75-71.00
High Grade M	100 lbs	69.75-70.00
High Grade S	100 lbs	68.75-69.00
High Grade T	100 lbs	67.75-68.00
High Grade U	100 lbs	66.75-67.00
High Grade V	100 lbs	65.75-66.00
High Grade W	100 lbs	64.75-65.00
High Grade X	100 lbs	63.75-64.00
High Grade Y	100 lbs	62.75-63.00
High Grade Z	100 lbs	61.75-62.00

# THE C.C.S.T. WEEKLY MARKET REPORT

Financial Times proposes to publish a new entitled Commodities Appointments to within our regular Thursday Appointments commencing on Thursday, 19th January.

# SOYABEAN MEAL

IN ABSENCE OF U.S. MARKET, LONDON terminal remained unchanged narrow range and closed with gains of 11 reports RNY Committee.

# FINANCIAL TIMES Commodities Appointments

Financial Times proposes to publish a new entitled Commodities Appointments to within our regular Thursday Appointments commencing on Thursday, 19th January.

# WOOL FUTURES

LONDON—about unchanged recent for spot December, which improved on more active trading, reports Bache.

# COMPANY NOTICES

NOTICE IS HEREBY GIVEN that the annual general meeting of the company will be held at 10.00 a.m. on Thursday, 19th January, 1978, at the company's registered office.

# Saccharin ban postponed

WASHINGTON, Nov. 24. PRESIDENT Carter has signed legislation ordering an 18-month postponement of the Food and Drug Administration's ban on the use of saccharin as an artificial sweetener.

# Peruvian metal workers strike

LIMA, Nov. 24. PERUVIAN METAL workers went on strike today to press for the reinstatement of 600 workers, the 10,000-strong Federation of Metalworkers said.



## Further sharp fall on removal of Bank and ICI props

### Index down 13.3 at 456.7—Gilts weak on MLR indications

	HIGHS AND LOWS				S.E. ACTIVITY		
	1971		Since Completion		Since 24"	Since 30"	
	High	Low	High	Low			
Corr. Sec.	79.85	60.45	137.4	49.18	Daily	175.3	168.9
	60.80	(4)4	(91)15	(31)15	Oil-Loaded	177.1	166.7
Fillet Tot.	90.49	180.0	50.53		Unburners	176.4	155.7
	110.0	(4)4	(281)17	(51)16	Speculative	168.4	108.2
Ind. Ore	549.2	337.6	549.2	51.4	S&W 18" Segs	171.0	161.5
	(14)3	(12)1	(145)17	(33)44	Unburners	161.6	135.6
Gold Mines	174.8	5.1	448.3	3	Speculative	159.4	41.7
	181.0	(1)5	(255)17	(26)10	Total	109.5	69.3

**NEW HIGHS AND LOWS FOR 1977**

The following securities quoted in the  
 the information Service yesterday  
 tained new Highs or Lows for 1977.

**NEW HIGHS (15)**

Style	Ward White	Wears
Atlantic	Baltimore	TRUSTS (1)
Mortgage	Boston	W Coast & Texas

FOREIGN BONDS (1)  
Japan 40c 1910 Ass.

AMERICANS (2)  
Cutler-Hammer

DRAPERY & STORES (1)

ENGINEERING (1)

INDUSTRIALS (2)  
Photo-Me

Cashfields

RUBBERS (1)

NEW LOWS (9)

BUILDINGS (1)  
McNeill Group

DRAPERY & STORES (1)  
Grattan Warehouses

ELECTRIC (2)  
EAM

SMALL BUS. CONC.  
ENGINEERING (1)

NEWSPAPERS (1)	INDUSTRIALS (3)
SHIPBUILDERS (7)	Anglo Am. Ashtr. Reed Indus. Mac Erikol Petarborowen
SHOES (3)	TRUSTS (1)
	G.T. James

## OPTIONS TRADED

DEALING DATES		
First Last	Last For	
First Last	Defer. Settlement	
ing ing	ing ing	
Nov. 22	Dec. 5 Feb. 23 Mar. 7	
ec. 6	Dec. 19 Mar. 2 Mar. 21	
ec. 20	Jan. 10 Mar. 30 Apr. 11	

or rate indications see end of

arranged in Consolida-  
 Field, J. Brown, Leibel, P.  
 Britannia Arrow, Spillars, P.  
 O: Deferred, Barker, Dabson,  
 broke Warrimps and JCL. St-  
 dated calls were transacted  
 Beedham and ICI.

Calls were dealt in Liverpool. P. Consolidated Gold Fields, 1/2; Twik-Fit, 1/4; ICI, 1/4; Arcent, 1/4; Mamas, London, United, P. and O. Deferred, Oil Exploration, 1/4; Riannia Axrow, Leboff, Nobel, 1/4; Pontin's, Becham, Barker, Dobson, 1/4; Godfrey Davis, Pacific

**RISES AND FALLS**

**YESTERDAY**

	Up	Down
British Funds	7	
Corpor. Dividends and Foreign Bonds	2	26

Copper, Vickers, Cableform,	Industrials	217	623
Geo. Bassett, London and	Financial and Prep.	218	624
Northern, Carrington, Viyella,	Oil	1	17
Marlarks and Spencer, Berry	Plantations	2	8
Viggias, Racial Electronics,	Misc.	22	63
Frage, Developments, Celtic	Misc.	3	14
Latou, and UBT. A put this done	Recent Issues	2	14
Tardac, while doubts were	Total	228	709

compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

[illegible]

7.49	-2.7	18.25	6.02	7.76	196.79	197.48	188.22	202.16
18.32	-9.5	17.13	6.97	8.32	184.86	185.05	189.23	197.39
9.63	-5.7	18.91	4.21	7.76	315.91	317.31	304.42	327.85
14.37	-3.3	15.99	4.23	9.30	413.69	418.96	414.66	426.26
22.46	-6.6	17.76	6.79	5.98	272.25	264.45	276.74	278.85
13.67	-2.0	15.74	6.79	5.98	354.56	359.54	357.23	375.37
7.76	-0.5	22.85	6.73	6.23	107.27	104.72	105.77	104.75
13.54	-1.2	19.21	7.98	6.94	155.33	155.42	157.85	159.69

9.45	-2.5	17.33	4.79	8.41	288.12	190.69	151.26
9.66	-3.1	15.30	3.50	9.43	226.76	226.38	223.28
9.78	-0.7	17.70	6.86	7.72	177.35	177.51	182.52
1.23	-1.9	20.50	6.34	7.32	113.40	113.71	115.66
6.89	-2.6	15.95	5.85	9.11	191.82	191.57	194.44
6.95	-2.5	13.89	5.85	12.02	219.03	218.32	222.69
7.02	-2.3	16.37	5.85	12.02	222.59	222.38	221.90
7.58	-3.3	15.03	7.73	14.38	218.32	218.32	222.69

7.23	-1.6	21.12	5.64	6.87	197.37	189.21	162.22	132.06
7.19	-3.3	13.92	4.64	10.48	197.34	194.51	198.20	201.95
6.87	-0.6	10.04	3.81	15.01	192.27	222.63	210.29	227.29
9.09	-1.3	21.68	7.61	6.72	126.60	128.27	125.22	122.59
8.21	-3.5	10.72	4.41	14.74	194.58	198.58	186.46	184.54
8.05	-1.6	21.56	5.27	5.87	162.72	162.94	163.06	162.47
6.90	-2.0	23.04	8.73	5.80	210.15	210.15	214.77	217.72
6.87	-1.5	20.16	5.78	6.81	212.46	203.27	196.12	197.59

4.36	-3.2	16.21	5.65	4.82	256.91	256.91	27.45	258.66
5.99	-3.5	17.77	4.97	6.75	1120.18	120.18	120.33	272.55
1.10	-1.2	22.17	6.59	5.34	449.48	449.48	64.27	444.33
4.85	-2.6	16.81	7.20	8.51	132.79	132.80	135.89	139.91
2.95	-2.7	16.80	5.90	8.62	196.27	196.27	289.77	282.05
2.38	-1.5	14.11	3.97	8.62	503.77	503.77	584.55	597.65
1.43	-2.5	16.42	5.58	8.45	222.25	223.84	255.54	261.22
5.55	-2.3		5.57		254.21	158.18	193.83	167.27

5.53	-1.2	27.57	5.67	5.54	100.56	103.64	102.62	104.06
5.49	+0.1		0.40		196.28	197.59	200.85	201.06
5.62	-5.0	11.35	5.02	13.10	158.35	159.35	164.22	164.34
5.39	-2.3		6.09		139.47	139.94	134.12	134.90
5.30	-2.8		6.09		139.47	139.94	134.12	134.90
5.86	-1.5	13.94	4.47	10.32	125.94	126.71	128.59	128.67
5.02	-2.2		6.80		75.81	75.98	74.59	75.65
5.17	-3.7	3.24	2.93	59.17	214.16	213.15	214.29	213.57
5.54	-1.8	22.21	7.53	6.28	101.29	103.43	101.95	101.95

1.90	+8.5	3.38	4.57	32.23	190.76	199.36	242.76	194.61
2.90	-0.2	28.50	6.88	5.22	85.38	85.43	86.86	86.86
3.90	-1.0	16.92	7.62	7.84	269.37	268.94	272.61	275.56
10.00	-2.2	—	5.58	—	204.69	204.70	207.84	209.67
INDICES				FIXED INTEREST YIELDS		Thurs. Nov.	Wed. Nov.	
				Br. Gov. Aa. Corp. Bond				

nd adj. To-day	nd adj. 1977 to date						
		1	Low	5 years	7.14		
		2	Coupons	16 years	16.90	6.78	
		3		25 years	16.70	7.67	
		4	Medium	5 years	8.29	9.26	
	8.13	5	Coupons	16 years	10.87	12.99	
	7.52	6		25 years	11.65	10.85	

11.73	7	8	5	years	12.54	10.85
12.32	9	Compos	15	years	11.30	11.25
9.6	10	Irredeemables	25	years	11.95	11.72

Dec. 30.	Field 5	53	52	51	50	49	48	47	46	45
72.74	72.56	61.93	61.94	62.19	62.19	62.20	62.45	62.55		
71.91	71.98	57.15	57.14	57.14	57.14	57.14	57.15	57.23		
71.56	71.78	77.64	77.45	77.80	77.76	77.90	78.34	78.20		

ed, last states and values and continuing changes are indicated in  
table from the following: the Financial Times, London, 1960.



## AUTHORISED UNIT TRUSTS

Financial Times Friday November 25 1977

[illegible]

CLIVE INVESTMENTS LIMITED	
Royal Exchange Ave., London EC3V 3LU. Tel. 01-283 1101	
Index Guide as at 22nd November, 1977 (Base 100 at 14.1.77)	
Clive Fixed Interest Capital .....	130.81
Clive Fixed Interest Income .....	123.14

**CORAL INDEX: Close 455-460**

## INSURANCE BASE RATES

Property Growth .....	61%
Cannon Assurance .....	2 %

\* Address shown under Insurance and Property Bond Table.

## BASE LENDING RATES

Bank	6 3/4	■ Hill, Samuel	5 6 3/4
Irish Banks Ltd.	6 3/4	C. Hoare & Co.	7 1/4
Indian Express Bk.	6 3/4	John S. Hodge	7 1/4
Bank	6 3/4	Hongkong & Shanghai	6 3/4
Bank Ltd.	6 3/4	Industrial Bk. of Scot.	8 3/4
Ansbacher	6 1/2	Keyser Ullmann	8 3/4
de Bilbao	6 3/4	Knowsley & Co. Ltd.	7 1/4
de Credit & Comce	6 3/4	Lloyds Bank	6 3/4
de Cyprus	6 3/4	London & European	8 1/4
de N.S.W.	6 3/4	London Mercantile	6 3/4
Belge Ltd.	6 3/4	Mitteleurop.	6 3/4
de Rhone	6 3/4	Samuel Montagu	6 3/4
Christie Ltd.	7 3/4	■ Morgan Grenfell	5 3/4
Holdings Ltd.	7 3/4	National Westminster	6 3/4
Bank of Mid. East	6 3/4	Norwich General Trust	6 3/4
Shipley	8 3/4	P. S. Reeson & Co.	6 3/4
Permanent Aft	6 3/4	Rosminster Accept's	6 3/4
of C & C Fin. Ltd.	6 3/4	Royal Bk. Canada Trust	6 3/4
er Ltd.	6 3/4	Schlesinger Limited	6 3/4
Holdings	7 3/4	E. S. Schuch	7 3/4
of Japhet	7 3/4	Security Trust Co. Ltd.	7 1/4
Costs	7 3/4	Shenley Trust	8 3/4
olidated Credits	6 3/4	Standard Chartered	6 3/4
erative Bank	6 3/4	Trade Dev. Bank	6 3/4
Urban Securities	6 3/4	Trustee Savings Bank	7 1/4
Lyonnais	6 3/4	Twentieth Century Bk.	7 1/4
Can Lawrie	7 3/4	United Bank of Kuwait	6 3/4
Trust	6 3/4	Whiteaway Ltd	6 3/4
ish Transcon	6 3/4	Williams & Glyn's	8 3/4
London Sec.	6 3/4	Yorkshire Bank	6 3/4
Nat. Fin. Corp.	6 3/4	■ Members of the Accepting Houses Committee.	
at. Sec. Ltd.	7 3/4	7-day deposits 3 1/2. 1-month deposits	
ny Gibbs	6 3/4	7-day deposits on sums of £10,000	
de Durrant Trust	6 3/4	and under 3%, up to £25,000 4 1/2	
ounds Guaranty	6 3/4	and over £25,000 4 3/4	
Bank	7 3/4	Call deposits 3 1/2. 3-month 3 3/4	
esses Mahon	6 3/4	Rate also applies to Sterling Ind.	
ros. Bank	6 3/4		

## GOOD PRICE MOVEMENTS

	Nov. 24	Week ago	Month ago
N	£	£	£
ish A.1 per ton	1,010	970	970
ish A.1 per ton	1,000	970	943
ish Special per ton	1,000	970	943
ish A.1 per ton	1,000	970	943
ish (crackers)			
2 per 20 lbs	10.94-11.05	10.94-11.05	10.63-10.74
ish per cwt	63.03	62.95	62.05
ish salted per cwt	69.15-71.43	69.15-71.43	69.15-69.47
2 per ton	1,161.50-1,183.99	1,190	1,130
ish cheddar trad.			
per ton	1,219.42	1,219.42	1,219.42
me-produced:			
Size 2	3.60-3.90	3.25-3.60	Month
Size 3	4.10-4.40	3.60-4.30	Month
	Nov. 24	Week ago	Month ago
	per pound	per pound	per pound
	p	p	p
otish killed sides (ex- KCCF)	44.0-48.0	44.0-49.0	45.0-49.0
re forequarters	29.0-32.0	30.0-32.0	31.0-34.0
ish	46.0-50.0		44.0-50.0
PLs-Phs	43.0-48.5	45.0-48.45	44.0-48.0
3N			
ish ewes	36.0-42.0	35.0-42.0	35.0-42.0
(all weights)			
RY	30.0-33.40	30.0-33.8	30.0-34.0
oller chickens	price per 120 eggs		1 Delivered
Delivry Nov. 25-Dec. 3			

## OFFSHORE AND OVERSEAS FUNDS

[illegible]

## **INSURANCE, PROPERTY, BONDS**

<b>Albany Life Assurance Co. Ltd.</b> 10 St. Paul's Churchyard, EC4 Property Fund 124.4 36.3 Property Fund
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### NOTE



**Healey & Baker**  
ESTABLISHED 1820 IN LONDON  
29 St. George Street, Hanover Square,  
LONDON W1A 3BG 01-629 9292  
CITY OF LONDON 115 OLD BROAD STREET  
LONDON EC4A 3DF 01 625 4361

# FT SHARE INFORMATION SERVICE

HOTELS—Continued

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Hotel...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Hotel...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Hotel...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Hotel...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Hotel...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Industrial...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Industrial...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Industrial...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Industrial...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Industrial...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## ENGINEERING—Continued

## DRAPERY AND STORES—Cont.

## BUILDING INDUSTRY—Cont.

## AMERICANS—Continued

## \*BRITISH FUNDS

### "Shorts" (Lives up to Five Years)

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

### Five to Fifteen Years

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

### Over Fifteen Years

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

### Undated

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	British Fund...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## INTERNATIONAL BANK

100.00 99.50 100.00 0.50 5.00 5.00 5.00 5.00 5.00 5.00

## CORPORATION LOANS

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Corp Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Corp Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Corp Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Corp Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Corp Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## COMMONWEALTH & AFRICAN LOANS

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Comm Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Comm Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Comm Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Comm Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Comm Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## LOANS (Misc.)

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Misc Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Misc Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Misc Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Misc Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Misc Loan...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## FOREIGN BONDS & RAILS

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Foreign Bond...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Foreign Bond...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Foreign Bond...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Foreign Bond...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Foreign Bond...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## CANADIANS

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Canadian...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Canadian...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Canadian...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Canadian...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Canadian...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## BANKS AND HIRE PURCHASE

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Bank & Hire...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Bank & Hire...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Bank & Hire...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Bank & Hire...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Bank & Hire...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## HIRE PURCHASE, ETC.

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Hire Purchase...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Hire Purchase...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Hire Purchase...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Hire Purchase...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Hire Purchase...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## BEERS, WINES AND SPIRITS

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Beer & Wine...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Beer & Wine...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Beer & Wine...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Beer & Wine...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Beer & Wine...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## AMERICANS

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	American...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	American...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	American...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	American...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	American...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## CHEMICALS, PLASTICS

High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
100.00	99.50	Chemical...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Chemical...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Chemical...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Chemical...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00
100.00	99.50	Chemical...	100.00	0.50	5.00	5.00	5.00	5.00	5.00	5.00

## CINEMAS, THEATRES AND TV

STOCKS, BONDS, TREASURY										
High	Low	Stock	Price	%	Div	Yield	Div	Yield	Div	Yield
79	47 1/2	Cinema TV	77	-1	165	80	13	12	13	12
110	69	Am. Tele. & Tel.	108	-1	165	50	12	12	13	12
53	19 1/2	Gen. Elec.	52	-1	165	50	12	12	13	12
54	33	Gen. Elec.	52	-1	165	50	12	12	13	12
110	69	Gen. Elec.	108	-1	165	80	13	12	13	12
53	19 1/2	Gen. Elec.	52	-1	165	50	12	12	13	12
54	33	Gen. Elec.	52	-1	165	50	12	12	13	12
110	69	Gen. Elec.	108	-1	165	80	13	12	13	12
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**FINANCE, LAND—Continued**[illegible][illegible]

Glaxo	40	Reed Int'l	18	Mines	
Grand Met	9	Reynolds	20		
G.U.S.-A'	18	Spillers	4	Charter Cos.	12
Guardian	18	Tesco	4	Charterland Fin.	20
G.N.N.	22	Thorn's A	22	Cons. Gold	20
Rawker Sidd	60	Trust Houses	13	Rio T. Zinc	24

A selection of Options traded is given on the London Stock Exchange Report page



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# FINANCIAL TIMES

Friday November 25 1977

**BELLS**  
SCOTCH WHISKY  
Afore 1972

## Bank of Japan attempts to hold yen at 240 to \$

BY CHARLES SMITH, FAR EAST EDITOR

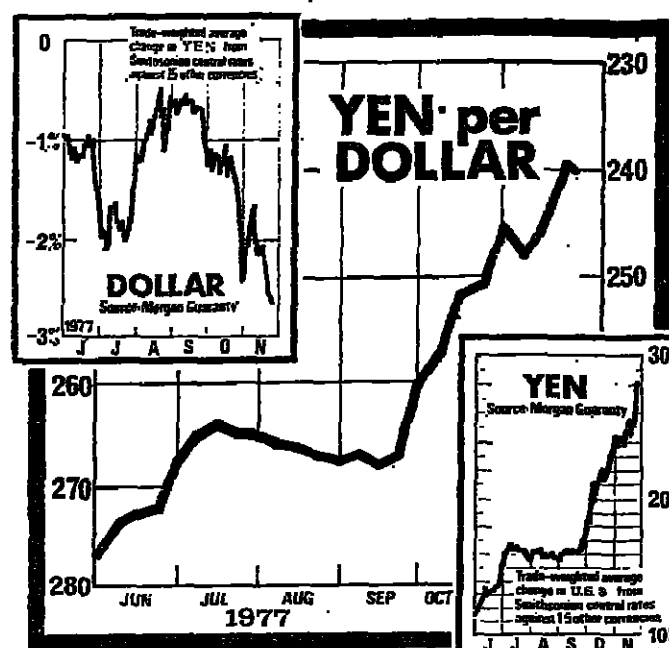
THE BANK of Japan intervened on Tokyo's foreign exchange market today in a bid to hold the yen at a rate of 240 to the dollar.

The bank was said to have purchased about three-quarters of the total of \$22m, which changed hands during the day. This is an unprecedentedly high level of intervention even by the standards of the last few weeks and there must inevitably be doubts about how long it can be maintained.

The Bank of Japan set itself to hold the rate at 240 following a day in which the yen in European foreign exchange markets broke through to levels of around 239 to the dollar (238.95 at the close of the London foreign exchange market in Thursday night).

Thursday was public holiday in Japan so that there was no official Japanese quotation for the exchange rate on that day. This meant that European and other overseas exchanges were left free to push the yen through the 240 to the dollar barrier.

The Bank of Japan's desperate



defence of the 240 yen to the dollar rate coincides with and may be related to the opening in Paris of a two-day meeting of the OECD's Working Party. Japan has been hoping that the Working Party might arrive at some form of agreement on joint international action to stabilise exchange rates. The chances of this happening, however, appear slim. Other countries are apparently taking the line that the revaluation of the yen is a natural consequence of Japan's huge and rapidly growing payments surplus and will thus leave the Bank of Japan to fight its battles alone.

Intervention by European central banks was on a much smaller scale than in Japan, but was fairly widespread. A rise in the West German trade surplus in October added to the pressure on the dollar and the Bundesbank bought dollars at the fixing in Frankfurt, although this was probably only a smoothing operation.

The Bank of Italy also intervened to support the dollar, but the Bank of France and the

## Shipyard threat to £50m. order

By Ian Hargreaves, Shipping Correspondent

SWAN HUNTER'S £50m. share of the 24-vessel British Shipbuilders order from Poland was placed in doubt yesterday when the Tyneside yard's outfitters refused to lift an overtime ban.

Talks between representatives of the 2,000 outfitters, the company and trade union leaders, including Mr. John Chalmers, the British Shipbuilders' general secretary and a Board member of British Shipbuilders, broke up last night after nine hours without agreement. They will resume today.

"We are in no doubt that if the men do not change their minds the chances of us getting the seven ships to build are very remote," the company said last night.

Mr. Michael Casey, chief executive of British Shipbuilders, is due to leave for London tonight to discuss the situation with the outfitters.

British Shipbuilders did not comment on developments at Swan Hunter, but it seems likely that the yard will be given a breathing space of one more day if necessary.

"Any retraction of the tough productivity terms demanded by the outfitters is for a question," British Shipbuilders would have no difficulty in finding alternative building berths for the seven 35,000-ton bulk-carriers offered to Swan, but this would mean spreading the workload over a longer period.

Swan Hunter loses the order, it will almost certainly lead to men being laid off next year as work runs out.

The outfitters' claim is for a 17.6-week increase to give them parity with boilermakers.

Earlier yesterday a mass meeting at Govan Shipbuilders on the Clyde authorised shop stewards to sign a working agreement.

Shipbuilders' duty made the yard a formal allocation of ten 4,000-ton carriers worth £40m.

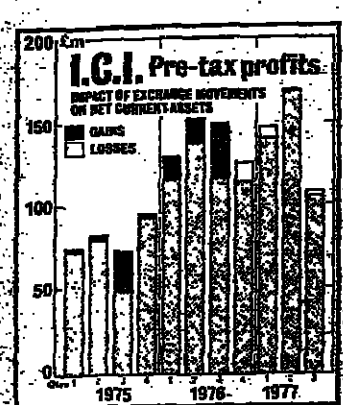
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THE LEX COLUMN

## The unpalatable facts from ICI

Index fell 13.3 to 456.7



The discount market was stunned by the Bank of England's acceptance yesterday of the need for higher interest rates: these are indeed unfamiliar monetarist times if the authorities will acquiesce in higher rates without the pressure of a sterling crisis. But after a period of anxious debate over the right level for M.L.R., dealers were literally at "sixes and sevens" according to one discount broker—the market appeared to settle on a two-point rise to 7 per cent.

Along with the poor ICI figures, the interest rate news left the securities markets in a mess. But there must now be a good chance that once the rise in M.L.R. is out of the way confidence will be re-established. The downward pressure on gilts should ease after next Monday's £528m. call on Exchequer 10½ per cent 1987, and the equity market will be looking hopefully towards a year-end rally.

ICI

The stock market had been awaiting ICI's figures with some trepidation but it was not prepared for a drop in pre-tax profits from £160m in 1976 to £150m in 1977. The ICI has gone out of the window share price suffered one of its sharpest falls ever, ending the day 18p lower at 344p.

The figures are distorted by exchange movements and leaving these aside third quarter profits are just 7.8 per cent down on the comparable period last year, and for the nine-month period they are still 10 per cent higher. Though there is little sign of improvement in the final quarter ICI should be able to beat last year's pre-tax profits of £142m.

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company's seasonally weakest quarter a 7 per cent fall in volume (against 3.4 per cent in the same period last year) played havoc with margins. In addition, prices are very soft. This is especially true in Europe where ICI is basically in man-made fibres and plastics and is just about trading at breakeven level.

The big question now is how profits from 1976 to 1977. Earlier second quarter to just £105m, the ICI has gone out of the window share price suffered one of its sharpest falls ever, ending the day 18p lower at 344p.

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